

DECADE RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements.

DECADE RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
October 31, 2023 and April 30, 2023
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	October 31, <u>2023</u>	April 30, <u>2023</u>
ASSETS		
Current assets		
Cash	\$ 1,859,792	\$ 245,891
GST receivable	72,813	55,189
Accounts receivable – Note 5	31,548	31,548
Prepaid expenses	<u>26,500</u>	<u>6,500</u>
Total current assets	<u>1,990,653</u>	<u>339,128</u>
Non-current assets		
Reclamation deposits	283,485	268,285
Exploration advances – Note 7	385,000	-
Property and equipment – Note 4	3,121	3,473
Exploration and evaluation assets – Note 5 and Schedule 1	<u>15,240,005</u>	<u>13,956,927</u>
Total non-current assets	<u>15,911,611</u>	<u>14,228,685</u>
Total assets	<u>17,902,264</u>	<u>\$ 14,567,813</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities – Note 7	<u>831,367</u>	<u>488,759</u>
	831,367	488,759
Non-current liabilities		
Deferred tax liabilities	<u>467,859</u>	<u>467,859</u>
Total liabilities	<u>1,299,226</u>	<u>956,618</u>
SHAREHOLDERS' EQUITY		
Share capital – Note 6	32,779,098	29,468,227
Contributed surplus	2,968,108	2,715,909
Deficit	<u>(19,144,168)</u>	<u>(18,572,941)</u>
Total shareholders' equity	<u>16,603,038</u>	<u>13,611,195</u>
Total liabilities and shareholders' equity	<u>\$ 17,902,264</u>	<u>\$ 14,567,813</u>

APPROVED ON BEHALF OF THE BOARD

“Ed Kruchkowski” Director

“Randy Kasum” Director

The accompanying notes form an integral part of these financial statements

DECADE RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
For the three months ended October 31, 2023 and 2022
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended		Six months ended	
	October 31,		October 31,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General and administrative expenses				
Accounting and audit fees	\$ 21,737	\$ 18,400	\$ 25,737	\$ 23,400
Consulting fees – Note 7	23,815	11,000	38,815	23,000
Depreciation	176	221	352	441
Filing fees	25,924	4,452	30,065	6,953
Interest and bank charges	616	90	632	304
Legal fees	3,578	1,264	3,578	5,947
Management fees – Note 7	60,000	60,000	120,000	120,000
Office and telephone	5,038	3,705	11,332	9,119
Property investigation costs	-	1,700	-	1,700
Shareholder communications	217,443	23,085	303,303	43,800
Stock-based compensation - Note 6	187,005	136,794	187,005	136,794
Transfer agent fees	<u>5,854</u>	<u>4,207</u>	<u>7,712</u>	<u>12,732</u>
Loss before other items	(551,186)	(264,918)	(728,531)	(384,190)
Other item				
Other income	<u>43,259</u>	<u>7,231</u>	<u>157,304</u>	<u>7,231</u>
	<u>43,259</u>	<u>7,231</u>	<u>157,304</u>	<u>7,231</u>
Net loss and comprehensive loss for the period	<u>\$ (507,927)</u>	<u>\$ (257,687)</u>	<u>\$ (571,227)</u>	<u>\$ (376,959)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding	<u>82,305,008</u>	<u>52,341,058</u>	<u>76,310,010</u>	<u>51,570,677</u>

The accompanying notes form an integral part of these financial statements

DECADE RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the six months ended October 31, 2023 and 2022
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Net loss for the period	\$ (571,227)	\$ (376,959)
Add items not affecting cash:		
Depreciation	352	441
Stock-based compensation	187,005	136,794
Other income	<u>(157,256)</u>	<u>(7,231)</u>
	(541,126)	(246,955)
Changes in working capital items related to operations:		
GST receivable	(17,623)	948
Prepaid expenses	(20,000)	-
Accounts payable and accrued liabilities	<u>(35,767)</u>	<u>(64,681)</u>
	<u>(614,516)</u>	<u>(310,688)</u>
FINANCING ACTIVITIES		
Shares issued for cash – net	3,911,695	566,100
Due from related parties	<u>-</u>	<u>500,000</u>
	<u>3,911,695</u>	<u>1,066,100</u>
INVESTING ACTIVITIES		
Reclamation deposits	(15,200)	(26,000)
Exploration advances	(385,000)	(155,000)
Exploration and evaluation assets - net	<u>(1,283,078)</u>	<u>(59,035)</u>
	<u>(1,683,278)</u>	<u>(240,035)</u>
Change in cash	1,613,901	515,377
Cash (bank indebtedness), beginning of period	<u>245,891</u>	<u>(2,527)</u>
Cash, ending of period	<u>\$ 1,859,792</u>	<u>\$ 512,850</u>
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes form an integral part of these financial statements

DECADE RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the three months ended October 31, 2023 and 2022
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Share Capital		Share Subscriptions Received	Contributed Surplus	Deficit	Total Shareholders' Equity
	Number of Shares	Amount				
Balance at April 30, 2023	66,033,631	\$ 29,468,227	\$ -	\$ 2,715,909	\$ (18,572,941)	\$ 13,611,195
Private placements	19,854,093	3,738,859	-	-	-	3,738,859
Exercise of warrants	2,685,000	427,100	-	-	-	427,100
Share issuance costs	-	(319,458)	-	65,194	-	(254,264)
Flow through shares premium liability	-	(535,630)	-	-	-	(535,630)
Stock-based compensation	-	-	-	187,005	-	187,005
Net and comprehensive loss	-	-	-	-	(571,227)	(571,227)
Balance at October 31, 2023	<u>88,572,724</u>	<u>\$ 32,779,098</u>	<u>\$ -</u>	<u>\$ 2,968,108</u>	<u>\$ (19,144,168)</u>	<u>\$ 16,603,038</u>
Balance at April 30, 2022	50,800,297	\$ 28,210,928	\$ -	\$ 2,367,881	\$ (17,466,225)	\$ 13,112,584
Private placements	5,670,000	635,400	-	-	-	635,400
Share issuance costs	-	(69,300)	-	-	-	(69,300)
Flow through shares premium liability	-	(68,400)	-	-	-	(68,400)
Share subscription received	-	-	500,000	-	-	500,000
Stock-based compensation	-	-	-	136,794	-	136,794
Net and comprehensive loss	-	-	-	-	(376,959)	(376,959)
Balance at October 31, 2022	<u>56,470,297</u>	<u>\$ 28,708,628</u>	<u>\$ 500,000</u>	<u>\$ 2,504,675</u>	<u>\$ (17,843,184)</u>	<u>\$ 13,870,119</u>

The accompanying notes form an integral part of these financial statements

DECADE RESOURCES LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
October 31, 2023
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

Note 1 Corporate Information

Decade Resources Ltd. (the “Company”) is an exploration stage company incorporated on March 3, 2006, under the laws of the Province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in the Province of British Columbia, Canada. The Company’s common shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “DEC”.

The Company’s head office and principal business address is 611 – 8th Street, Box 211, Stewart, British Columbia, Canada, V0T 1W0.

Note 2 Basis of Preparation

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) IAS 34 “Interim Financial Reporting”.

These condensed interim financial statements do not include all of the information and disclosures required to be included in annual financial statements prepared in accordance with IFRS. These condensed interim financial statements should be read in conjunction with the Company’s audited annual financial statements for the years ended April 30, 2023 and 2022.

These condensed interim financial statements were authorized for issue on December 21, 2023 by the directors of the Company.

b) Basis of Measurement

These condensed interim financial statements have been prepared using the historical cost basis except for financial instruments that have been measured at fair value.

The condensed interim financial statements are presented in Canadian dollars, which is the Company’s functional currency and presentation currency.

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 2 Basis of Preparation – (cont'd)

c) Going Concern

At October 31, 2023, the Company has not generated revenue from operations, has an accumulated deficit of \$19,144,168 and expects to incur further costs in the exploration and evaluation of its mineral properties. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the Company's ability to obtain adequate financing to develop the reserves, and its ability to commence profitable operations in the future. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company has been able to fund operations and mineral property exploration through equity financings. The continued uncertainty in the financial equity markets may make it difficult to raise capital through the private placement of shares. The junior mining industry is considered speculative in nature which could make it more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

d) Critical Accounting Estimates and Judgements

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 2 Basis of Preparation – (cont'd)

d) Critical Accounting Estimates and Judgements – (cont'd)

Information about critical accounting estimates and judgments 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 Company's financial statements within the next financial year are discussed below:

i. Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

ii. Title to Mineral Properties

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

iii. Rehabilitation Provisions

Rehabilitation provisions have been determined to be \$Nil based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

iv. Share-Based Payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 2 Basis of Preparation – (cont'd)

d) Critical Accounting Estimates and Judgements – (cont'd)

v. Recognition of Deferred Income Tax Assets and Liabilities

The carrying amount of deferred income tax assets and liabilities 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. Changes in estimates of future taxable profit can materially affect the amount of deferred income tax assets and liabilities recognized from period to period.

vi. Going Concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Please refer to Note 2(c) for additional information.

Note 3 Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at April 30, 2023. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2023.

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 4 Property and Equipment

	<u>Computer Equipment</u>	<u>Furniture and Fixtures</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Cost				
Balance April 30, 2022, April 30, 2023 and October 31, 2023	\$ <u>6,177</u>	\$ <u>12,911</u>	\$ <u>26,453</u>	\$ <u>45,541</u>
Accumulated depreciation				
Balance April 30, 2022	\$ 6,046	\$ 11,664	\$ 23,474	\$ 41,184
Depreciation	<u>39</u>	<u>249</u>	<u>596</u>	<u>884</u>
Balance April 30, 2023	6,085	11,913	24,070	42,068
Depreciation	<u>14</u>	<u>100</u>	<u>238</u>	<u>352</u>
Balance October 31, 2023	\$ <u>6,099</u>	\$ <u>12,013</u>	\$ <u>24,308</u>	\$ <u>42,420</u>
Net book value				
Balance October 31, 2023	\$ <u>78</u>	\$ <u>898</u>	\$ <u>2,145</u>	\$ <u>3,121</u>
Balance April 30, 2023	\$ <u>92</u>	\$ <u>998</u>	\$ <u>2,383</u>	\$ <u>3,473</u>

Note 5 Exploration and Evaluation Assets

The Company's exploration and evaluation assets are described below. Also refer to Schedule 1 attached to the end of these financial statements.

a) ***Red Cliff***

On October 28, 2008, the Company entered into an option agreement with Mountain Boy Minerals Ltd. ("Mountain Boy"), a public company with directors in common with the Company, to acquire a 60% interest in the Red Cliff property located 25 miles north of Stewart, British Columbia. In order to earn the 60% interest the Company was required to incur exploration expenditures on the property of \$1,250,000 over three years. The Company incurred all the required exploration expenditures to earn its 60% interest and entered into a joint venture agreement with Mountain Boy to operate the property on a 60/40 joint venture basis.

At October 31, 2011, the Company was informed by Mountain Boy that it would not be funding its share of the Red Cliff exploration expenditures and thereby would have its interest diluted under the formula set out in the joint venture agreement. As at October 31, 2011, the Company was owed \$548,285 in exploration expenditures by Mountain Boy. Effective November 1, 2011, Mountain Boy agreed to dilute its interest in the Red Cliff property by 5% in lieu of the \$435,785 and consequently the Red Cliff joint venture is now run on a 65/35 joint venture basis.

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 5 Exploration and Evaluation Assets – (cont'd)

a) ***Red Cliff*** – (cont'd)

On October 16, 2017, the Company entered into a Royalty Purchase Agreement to acquire 65% of the 1% net smelter return (“NSR”) royalty on certain mineral claims on the Red Cliff property. In consideration, the Company paid \$6,500 and committed to issue 280,000 common shares to the vendor. On November 13, 2017, the Company issued the 280,000 common shares fair valued at \$0.085 per common share totalling \$23,800 and the NSR was cancelled.

On March 28, 2019, the Company and Mountain Boy entered into an amending agreement which revised the amount recoverable from Mountain Boy as of the date of the agreement to \$925,000. As a result, the Company recorded a decrease of \$210,255 in the recoverable amount from Mountain Boy which is reflected in the net cost recovery in exploration expenditures.

During the six months ended October 31, 2023, the Company charged \$145,593 (April 30, 2023: \$1,365) in exploration expenditures to Mountain Boy.

At October 31, 2023, Mountain Boy owed the Company \$31,548 (April 30, 2023: \$31,548) in exploration expenditures which is included in accounts receivable.

b) ***Goat***

On January 28, 2010, the Company purchased a 100% interest in three mineral claims known as the Goat claims located north of Stewart, British Columbia for \$55,000 and 50,000 common shares.

During the year ended April 30, 2020, the Company acquired a claim containing 146.88 hectares totalling \$3,192.

During the year ended April 30, 2023, the Company recorded an impairment of \$635,845 to write-off the \$110,692 in acquisition cost and \$525,153 in exploration expenditures.

c) ***Copper River Valley Properties***

The Copper River Valley properties are comprised of three main claim blocks; Terrace Gold-Darranelle-Treasure Mountain group of claims located in northern British Columbia. The property consists of 52 contiguous mineral claims.

The property is subject to a 3.0% net smelter return upon exercise of the option, and upon the commencement of commercial production. Upon commencement of commercial production, the Company shall make quarterly royalty payments owing and payable to the Optioner one-hundred-twenty days following the completion of the Company’s quarter end. The Net smelter return payments are to be based on US value of metal prices and the Company is entitled to purchase 2% of the Royalty from the Optioner at any time for a cash payment of \$1,000,000.

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 5 Exploration and Evaluation Assets – (cont'd)c) **Copper River Valley Properties** – (cont'd)

On June 29, 2022, the Company granted Pluto Ventures Inc. (“Pluto”) the option to acquire a 100% interest in the Terrace Property. The option will be exercised by Pluto over a period of three years by making the following payments and completing expenditures on the property of at least \$2,000,000 by the fourth anniversary of Pluto’s shares being listed on the Canadian Securities Exchange:

Cash and share issuances:

- i) \$10,000 on signing (received);
- ii) a further \$10,000 and issuance of 100,000 common shares on or before the 15th day after the day Pluto’s shares are listed on the Canadian Securities Exchange ;
- iii) a further \$20,000 and issuance of 100,000 common shares on the 1st anniversary of the day Pluto’s shares are listed on the Canadian Securities Exchange ;
- iv) a further \$30,000 and issuance of 100,000 common shares on the 2nd anniversary of the day Pluto’s shares are listed on the Canadian Securities Exchange ;
- v) a further \$40,000 and issuance of 100,000 common shares on the 3rd anniversary of the day Pluto’s shares are listed on the Canadian Securities Exchange ;
- vi) issuance of 100,000 common shares on the 4th anniversary of the day Pluto’s shares are listed on the Canadian Securities Exchange ;

e) **Del Norte Property**

On January 6, 2020, the Company entered into an option agreement to acquire up to 75% interest in the Del Norte property, situated 34 kilometres east of Stewart, BC, comprising of 5,830.16 hectares in 13 separate claims. The property is subject to a 2% net smelter returns royalty. Consideration to earn the first 55% interest consist of cash payments of \$200,000 over four years, issuance of 800,000 common shares on signing, issuance of \$180,000 of common shares of the Company over four years and exploration expenditures of \$4,000,000 over five years as follows:

Cash payments and share issuances:

- i) \$20,000 on signing (paid) and the issuance of 800,000 common shares (issued) of the Company upon receipt of exchange approval;
- ii) \$30,000 cash payment (paid) and issuance of \$30,000 worth of common shares (issued) of the company on or before the earlier of January 6, 2021 and the date which is 30 days after the date on which the Company has made the year one expenditures;
- iii) \$40,000 cash payment (paid) and issuance of \$40,000 worth of common shares (issued) of the company on or before the earlier of January 6, 2022 and the date which is 30 days after the date on which the Company has made the year two expenditures;
- iv) \$50,000 cash payment (paid) and issuance of \$50,000 worth of common shares (issued) of the company on or before the earlier of January 6, 2023 and the date which is 30 days after the date on which the Company has made the year three expenditures;
- v) \$32,000 cash payment (paid) and issuance of \$88,000 worth of common shares (issued) of the company on or before the earlier of January 6, 2024 and the date which is 30 days after the date on which the Company has made the year four expenditures;

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 5 Exploration and Evaluation Assets – (cont'd)

e) ***Del Norte Property*** – (cont'd)

Exploration expenditures:

- i) \$400,000 on or before January 6, 2021 (incurred);
- ii) \$500,000 on or before January 6, 2022 (incurred);
- iii) \$600,000 on or before January 6, 2023 (incurred);
- iv) \$1,000,000 on or before January 6, 2024 (incurred); and
- v) \$1,500,000 on or before January 6, 2025.

The Company has the right to earn an additional 20% interest in the property by placing the property into production.

f) ***Lord Nelson Property***

On August 24, 2020, the Company entered into an option agreement to acquire up to 75% interest in the Lord Nelson property, situated in the Skeena mining division of the province of British Columbia for interest in 6 mineral claims. Consideration to earn the first 55% interest consist of cash payments of \$100,000 over four years, issuance of 400,000 common shares on signing, issuance of \$90,000 of common shares of the Company over four years and exploration expenditures of \$2,000,000 over five years as follows:

Cash payments and share issuances:

- ii) \$10,000 on signing (paid) and the issuance of 400,000 common shares (issued) of the Company upon receipt of exchange approval;
- ii) \$15,000 cash payment (paid subsequently) and issuance of \$15,000 worth of common shares (issued subsequently) of the company on or before the earlier of August 24, 2021 and the date which is 30 days after the date on which the Company has made the year one expenditures;
- iii) \$20,000 cash payment and issuance of \$20,000 worth of common shares of the company on or before the earlier of August 24, 2022 and the date which is 30 days after the date on which the Company has made the year two expenditures (extended to August 24, 2025);
- iv) \$25,000 cash payment and issuance of \$25,000 worth of common shares of the company on or before the earlier of August 24, 2023 and the date which is 30 days after the date on which the Company has made the year three expenditures (extended to August 24, 2025);
- v) \$30,000 cash payment and issuance of \$30,000 worth of common shares of the company on or before the earlier of August 24, 2024 and the date which is 30 days after the date on which the Company has made the year four expenditures (extended to August 24, 2025);

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 5 Exploration and Evaluation Assets – (cont'd)

f) **Lord Nelson Property** – (cont'd)

Exploration expenditures:

- i) \$200,000 on or before August 24, 2021 (incurred);
- ii) \$250,000 on or before August 24, 2022 (extended to August 24, 2025);
- vi) \$300,000 on or before August 24, 2023 (extended to August 24, 2025);
- vii) \$500,000 on or before August 24, 2024 (extended to August 24, 2025); and
- viii) \$750,000 on or before August 24, 2025.

The Company has the right to earn an additional 20% interest in the property by placing the property into production.

Note 6 Share Capital

a) **Authorized:**

Unlimited number of common shares without par value.

b) **Issued:**

For the six months ended October 31, 2023:

On May 23, 2023, the Company issued a total of 4,718,095 flow-through units at \$0.105 per unit for proceeds of \$495,400. Each flow-through unit consists of one flow-through common share and one transferable non-flow-through common share purchase warrant. Each warrant entitles the holder to purchase, for a period of 24 months, one additional common share of the Company, at a price of \$0.13 per share. The Company paid a cash finder's fee totalling \$33,600 and issued 320,000 warrants at \$0.13 per share. The fair value of the finders' warrants is \$26,502, determined using Black-Scholes Option Pricing Model using the following assumptions: exercise price \$0.13, expected volatility 200%, expected life 2 years, risk-free interest rate 4.11%, expected dividend yield 0% and forfeiture rate 0%.

On July 13, 2023, the Company issued a total of 2,486,000 flow-through units at \$0.11 per unit for proceeds of \$273,460. Each flow-through unit consists of one flow-through common share and one transferable non-flow-through common share purchase warrant. Each warrant entitles the holder to purchase, for a period of 24 months, one additional common share of the Company, at a price of \$0.135 per share. The Company paid a cash finder's fee totalling \$20,645 and issued 187,680 warrants at \$0.135 per share. The fair value of the finders' warrants is \$13,829, determined using Black-Scholes Option Pricing Model using the following assumptions: exercise price \$0.135, expected volatility 201%, expected life 2 years, risk-free interest rate 4.57%, expected dividend yield 0% and forfeiture rate 0%.

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 6 Share Capital – (cont'd)

b) *Issued:* - (cont'd)

On August 11, 2023, the Company issued 2,500,000 common shares at \$0.16 per share for proceeds of \$400,000 pursuant to the exercise of share purchase warrants.

On August 28, 2023, the Company issued 85,000 common shares at \$0.16 per share and 100,000 common shares at \$0.135 per share for total proceeds of \$27,100 pursuant to the exercise of share purchase warrants.

On September 12, 2023, the Company issued a total of 10,999,998 flow-through units at \$0.24 per unit for proceeds of \$2,640,000. Each flow-through unit consists of one flow-through common share and one transferable non-flow-through common share purchase warrant. Each warrant entitles the holder to purchase, for a period of 24 months, one additional common share of the Company, at a price of \$0.32 per share. In addition, the Company issued a total of 1,650,000 non-flow-through units at \$0.20 per unit for proceeds of \$330,000. The Company paid a cash finder's fee totalling \$200,020 and issued 832,433 warrants at \$0.24 per share. The fair value of the finders' warrants is \$24,862, determined using Black-Scholes Option Pricing Model using the following assumptions: exercise price \$0.24, expected volatility 206%, expected life 2 years, risk-free interest rate 3.97%, expected dividend yield 0% and forfeiture rate 0%. Directors of the Company acquired 1,250,000 flow-through units for \$300,000 and 655,000 non-flow-through units for \$131,000.

Year ended April 30, 2023

On July 12, 2022, the Company consolidated its share capital on a 5:1 share basis. All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

On October 6, 2022, the Company issued a total of 3,420,000 flow-through units at \$0.12 per unit for proceeds of \$410,400 and 2,250,000 non-flow-through units at \$0.10 per unit for proceeds of \$225,000. Each flow-through unit consists of one flow-through common share and one transferable non-flow-through common share purchase warrant. Each warrant entitles the holder to purchase, for a period of 42 months, one additional common share of the Company, at a price of \$0.16 per share. Each non-flow-through unit consists of one common share of the Company and one transferable common share purchase warrant. Each warrant entitles the holder to purchase, for a period of 24 months, one additional common share of the Company, at a price of \$0.13 per share. The Company paid a cash finder's fee totalling \$28,800 and issued 240,000 warrants at \$0.16 per share. The fair value of the finders' warrants is \$22,207, determined using Black-Scholes Option Pricing Model using the following assumptions: exercise price \$0.16, expected volatility 198%, expected life 3.5 years, risk-free interest rate 3.92%, expected dividend yield 0% and forfeiture rate 0%.

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 6 Share Capital – (cont'd)b) **Issued:** - (cont'd)

On November 4, 2022, the Company issued a total of 2,683,334 flow-through units at \$0.12 per unit for proceeds of \$322,000 and 6,000,000 non-flow-through units at \$0.10 per unit for proceeds of \$600,000. Each flow-through unit consists of one flow-through common share and one transferable non-flow-through common share purchase warrant. Each warrant entitles the holder to purchase, for a period of 42 months, one additional common share of the Company, at a price of \$0.16 per share. Each non-flow-through unit consists of one common share of the Company and one transferable common share purchase warrant. Each warrant entitles the holder to purchase, for a period of 24 months, one additional common share of the Company, at a price of \$0.16 per share. The Company paid a cash finder's fee totalling \$26,000 and issued 166,667 warrants at \$0.16 per share. The fair value of the finders' warrants is \$15,360, determined using Black-Scholes Option Pricing Model using the following assumptions: exercise price \$0.16, expected volatility 196%, expected life 3.5 years, risk-free interest rate 4.08%, expected dividend yield 0% and forfeiture rate 0%.

On February 1, 2023, the Company issued 880,000 common shares at a fair value of \$0.10 per share for a total of \$88,000 pursuant to the Del Norte property agreement.

c) **Commitments:***Share Purchase Warrants:*

A summary of share purchase warrant activity for the six months ended October 31, 2023 and for the year ended April 30, 2023 is presented below:

	<u>Six months ended</u> <u>October 31, 2023</u>		<u>Year ended</u> <u>April 30, 2023</u>	
	<u>Warrants</u>	<u>Weighted</u> <u>Average</u> <u>Exercise</u> <u>Price</u>	<u>Warrants</u>	<u>Weighted</u> <u>Average</u> <u>Exercise</u> <u>Price</u>
Outstanding, beginning of period	21,335,717	\$0.24	13,535,716	\$0.45
Issued	21,194,206	\$0.25	14,760,001	\$0.16
Expired	(6,575,716)	\$0.43	(6,960,000)	\$0.46
Exercised	<u>(2,685,000)</u>	<u>\$0.16</u>	<u>(6,960,000)</u>	<u>\$0.46</u>
Outstanding, end of period	<u>33,269,207</u>	<u>\$0.21</u>	<u>21,335,717</u>	<u>\$0.24</u>

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 6 Share Capital – (cont'd)c) **Commitments:** - (cont'd)*Share Purchase Warrants:*

At October 31, 2023, the Company had 33,269,209 share purchase warrants outstanding entitling the holders the right to purchase one common share for each warrant held as follows:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
2,250,000	\$0.13	October 6, 2024
3,500,000	\$0.16	November 4, 2024
3,575,000	\$0.16	April 6, 2026
2,850,001	\$0.16	May 4, 2026
5,038,095	\$0.13	May 23, 2025
2,573,680	\$0.135	July 13, 2025
12,649,998	\$0.32	September 12, 2025
<u>832,433</u>	\$0.24	September 12, 2025
<u>33,269,207</u>		

At October 31, 2023, the outstanding share purchase warrants had a weighted average remaining contractual life of 1.77 years.

Share-based Compensation Plan:

The Company has a Stock Option Plan (“the Plan”) under which it is authorized to grant options to directors, officers, consultants or employees of the Company. The number of options granted under the Plan is limited to 10% of the number of issued and outstanding common shares of the Company at the date of grant. The exercise price of options granted under the Plan may not be less than the market value of the Company’s common shares on the date of grant. Options granted under the Plan have a maximum life of five years and vest on the date of grant or over periods determined by management.

On August 29, 2023, the Company granted 1,000,000 stock options to consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$0.22 until August 29, 2028 and vested on the grant date. The fair value of the stock options of \$187,005 or \$0.1870 per option was determined using the Black Scholes option valuation model with the following assumptions

	<u>Six months ended October 31, 2023</u>
Risk-free interest rate	4.03%
Expected life of options	5.05 years
Annualized volatility	131%
Dividend rate	0%
Forfeiture rate	0%
Share price on grant date	\$ 0.215

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 6 Share Capital – (cont'd)c) **Commitments** – (cont'd):*Share-based Compensation Plan:*

A summary of stock option activity for the six months ended October 31, 2023 and for the year ended April 30, 2023 is presented below:

	<u>Six months ended</u> <u>October 31, 2023</u>		<u>Year ended</u> <u>April 30, 2023</u>	
	<u>Number</u>	<u>Weighted</u> <u>Average</u> <u>Exercise</u> <u>Price</u>	<u>Number</u>	<u>Weighted</u> <u>Average</u> <u>Exercise</u> <u>Price</u>
Outstanding, beginning of period	3,250,000	\$0.18	3,304,600	\$0.28
Granted	1,000,000	\$0.22	1,500,000	\$0.10
Expired	<u>-</u>	<u>-</u>	<u>(1,554,600)</u>	<u>\$0.30</u>
Outstanding, end of period	<u>4,250,000</u>	<u>\$0.19</u>	<u>3,250,000</u>	<u>\$0.18</u>

At October 31, 2023, the Company had 4,250,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

<u>Number of</u> <u>Options</u>	<u>Exercise</u> <u>Price</u>	<u>Expiry Date</u>
750,000	\$0.25	June 3, 2025
1,000,000	\$0.25	May 5, 2026
1,500,000	\$0.10	October 24, 2027
<u>1,000,000</u>	<u>\$0.22</u>	<u>August 29, 2028</u>
<u>4,250,000</u>		

At October 31, 2023, the outstanding stock options had a weighted average remaining contractual life of 3.42 years.

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 7 Related Party Transactions

The Company incurred the following charges by directors of the Company, by companies with directors in common with the Company and by a company managed by a director of the Company for the three months ended October 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Consulting fees	\$ 30,815	\$ 18,000
Exploration and evaluation assets – drilling	630,314	-
Exploration and evaluation assets – equipment rental	98,300	-
Exploration and evaluation assets – supervision	76,000	-
Management fees	<u>120,000</u>	<u>120,000</u>
	<u>\$ 955,429</u>	<u>\$ 138,000</u>

At October 31, 2023, exploration advances includes \$385,000 (April 30, 2023: \$Nil) paid to companies with directors in common.

At October 31, 2023, accounts payable and accrued liabilities includes \$6,020 (April 30, 2023: \$13,020) due to a director of the Company, to companies with directors in common with the Company and to a company managed by a director of the Company for unpaid fees.

Key management compensation

The Company considers its Chief Executive Officer and Chief Financial Officer to be key management. During the six months ended October 31, 2023 and 2022, the Company incurred the following key management charges:

	<u>2023</u>	<u>2022</u>
Management fees	<u>\$ 120,000</u>	<u>\$ 120,000</u>
	<u>\$ 120,000</u>	<u>\$ 120,000</u>

Note 8 Financial Instruments and Risk Management

The carrying amounts of financial assets and liabilities approximate their fair value.

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)Note 8 Financial Instruments and Risk Management – (cont'd)

The Company's financial instruments consist of cash, accounts receivable and accounts payable. Cash has been classified as FVTPL. Accounts receivable are classified as loans and receivables. Accounts payable are classified as other financial liabilities.

The fair value of the Company's cash was measured using level one of the fair value hierarchy.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and accounts receivable are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with large financial institutions.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's considers its exposure to interest rate risk to be not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it always has sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. When future cash flows are uncertain, the liquidity risk increases.

The Company budgets with a plan to have sufficient cash on demand to meet expected operational expenses for a period of 30 days. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. The Company prepares monthly operating expenditure budgets, which are regularly monitored and updated as considered necessary. The Company intends to meet its current obligations through funds to be raised via the private placement of shares and through related party loans.

Note 9 Capital Disclosures

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will use its existing working capital and raise additional amounts as needed. The Company will continue to explore its mineral properties.

Decade Resources Ltd.

Notes to the Condensed Interim Financial Statements

October 31, 2023

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Note 9 Capital Disclosures – (cont'd)

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets.

Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest.

The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

There has been no change in the Company's approach to capital management during the periods ended October 31, 2023 and 2022.

DECADE RESOURCES LTD.
CONDENSED INTERIM SCHEDULE OF EXPLORATION AND EVALUATION ASSETS
for the three months ended October 31, 2023
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	<u>Red Cliff</u>	<u>Lord Nelson</u>	<u>Goat/Surprise Creek</u>	<u>Copper River</u>	<u>Del Norte Property</u>	<u>Total</u>
Property acquisition costs						
Balance, April 30, 2023 and October 31, 2023	\$ 468,250	\$ 64,000	\$ -	\$ 417,376	\$ 404,000	\$ 1,353,626
Deferred exploration costs						
Balance, April 30, 2023	12,771,692	306,400	-	902,200	2,953,635	16,933,927
Drilling – Note 7	296,424	-	-	333,890	-	630,314
Equipment rental – Note 7	84,657	-	-	12,834	96,302	193,793
Field and supplies	15,526	-	-	152,256	27,376	195,158
Geological	51,553	-	-	113,602	12,109	177,264
Helicopter	-	-	-	73,583	4,315	77,898
Labour	2,700	-	-	525	10,000	13,225
Supervision – Note 7	46,220	-	-	90,400	4,400	141,020
Balance, October 31, 2023	<u>13,268,772</u>	<u>306,400</u>	<u>-</u>	<u>1,679,290</u>	<u>3,108,137</u>	<u>18,362,599</u>
Cost recoveries						
Balance, April 30, 2022	(4,184,755)	-	-	(10,000)	(135,872)	(4,330,627)
Joint venture – Note 5	<u>(145,593)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(145,593)</u>
Balance, October 31, 2023	<u>(4,330,348)</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(135,872)</u>	<u>(4,476,220)</u>
Totals	<u>\$ 9,406,674</u>	<u>\$ 370,400</u>	<u>\$ -</u>	<u>\$ 2,086,666</u>	<u>\$ 3,376,265</u>	<u>\$ 15,240,005</u>

DECADE RESOURCES LTD.
CONDENSED INTERIM SCHEDULE OF EXPLORATION AND EVALUATION ASSETS
for the year ended April 30, 2023
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	<u>Red Cliff</u>	<u>Lord Nelson</u>	<u>Goat/Surprise Creek</u>	<u>Copper River</u>	<u>Del Notre Property</u>	<u>Total</u>
Property acquisition costs						
Balance, April 30, 2022	\$ 466,085	\$ 64,000	\$ 110,692	\$ 407,857	\$ 284,000	\$ 1,332,634
Cash paid	2,165	-	-	9,519	32,000	43,684
Shares issued	-	-	-	-	88,000	88,000
Impairment write-off	-	-	(110,692)	-	-	(110,692)
Balance, April 30, 2023	<u>468,250</u>	<u>64,000</u>	<u>-</u>	<u>417,376</u>	<u>404,000</u>	<u>1,353,626</u>
Deferred exploration costs						
Balance, April 30, 2022	12,757,792	306,400	518,453	444,749	2,853,925	16,881,320
Assays	-	-	-	-	39,751	39,751
Drilling – Note 7	-	-	-	156,710	-	156,710
Equipment rental – Note 7	-	-	-	29,971	40,740	70,711
Field and supplies – Note 7	10,000	-	-	101,701	1,419	113,120
Geological – Note 7	2,300	-	5,100	79,763	1,800	88,963
Helicopter – Note 7	-	-	-	31,171	-	31,171
Labour	-	-	-	435	-	435
Supervision – Note 7	1,600	-	1,600	57,700	16,000	76,900
Impairment write-off	-	-	(525,153)	-	-	(525,153)
Balance, April 30, 2023	<u>12,771,692</u>	<u>306,400</u>	<u>-</u>	<u>902,200</u>	<u>2,953,635</u>	<u>16,933,927</u>
Cost recoveries						
Balance, April 30, 2022	(4,183,389)	-	-	-	-	(4,183,389)
Joint venture – Note 5	(1,365)	-	-	-	-	(1,365)
Option payment – Note 5	-	-	-	(10,000)	-	(10,000)
BC Mining Credit	-	-	-	-	(135,872)	(135,872)
Balance, April 30, 2023	<u>(4,184,755)</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(135,872)</u>	<u>(4,330,626)</u>
Totals	<u>\$ 9,055,187</u>	<u>\$ 370,400</u>	<u>\$ -</u>	<u>\$ 1,309,576</u>	<u>\$ 3,221,763</u>	<u>\$13,956,927</u>