

DECADE RESOURCES LTD.

FINANCIAL STATEMENTS

April 30, 2023 and 2022

(Stated in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Decade Resources Ltd.

Opinion

We have audited the financial statements of Decade Resources Ltd. (the "Company") which comprise the statements of financial position as at April 30, 2023 and 2022, and the statements of net and comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at April 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 audits 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 2(c) of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about 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 for the year ended April 30, 2023. 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 key audit matters to communicate in our report.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 as issued by the International Accounting Standards Board, 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.

Auditors' 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 auditors' 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:

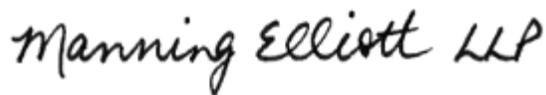
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 auditors' 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 auditors' 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 auditors' 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 auditors' report is Paul Joseph Leedham.

The image shows a handwritten signature in black ink that reads "Manning Elliott LLP". The signature is written in a cursive, flowing style.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
August 28, 2023

DECADE RESOURCES LTD.
STATEMENTS OF FINANCIAL POSITION
As at April 30, 2023 and 2022
(Stated in Canadian Dollars)

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash	\$ 245,891	\$ -
GST receivable	55,189	21,913
Accounts receivable – Note 5(a)	31,548	30,183
Prepaid expenses	<u>6,500</u>	<u>6,500</u>
Total current assets	<u>339,128</u>	<u>58,596</u>
Non-current assets		
Reclamation deposits	268,285	118,185
Property and equipment – Note 4	3,473	4,357
Exploration and evaluation assets – Note 5 and Schedule 1	<u>13,956,927</u>	<u>14,030,565</u>
Total non-current assets	<u>14,228,685</u>	<u>14,153,107</u>
Total assets	<u>\$ 14,567,813</u>	<u>\$ 14,211,703</u>
LIABILITIES		
Current liabilities		
Bank indebtedness	\$ -	\$ 2,527
Accounts payable and accrued liabilities – Note 7	<u>488,759</u>	<u>450,209</u>
	488,759	452,736
Non-current liabilities		
Deferred tax liabilities – Note 11	<u>467,859</u>	<u>646,383</u>
Total liabilities	<u>956,618</u>	<u>1,099,119</u>
EQUITY		
Share capital – Note 6	29,468,227	28,210,928
Contributed surplus	2,715,909	2,367,881
Deficit	<u>(18,572,941)</u>	<u>(17,466,225)</u>
Total equity	<u>13,611,195</u>	<u>13,112,584</u>
Total liabilities and equity	<u>\$ 14,567,813</u>	<u>\$ 14,211,703</u>
Going concern – Note 2(c)		
Subsequent events – Note 12		

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.
STATEMENTS OF NET AND COMPREHENSIVE LOSS
For the years ended April 30, 2023 and 2022
(Stated in Canadian Dollars)

	<u>2023</u>	<u>2022</u>
General and administrative expenses		
Accounting and audit fees	\$ 58,300	\$ 46,200
Consulting fees – Note 7	84,500	48,000
Depreciation	884	1,113
Filing fees	19,337	25,243
Interest and bank charges	392	651
Legal fees	9,924	24,174
Management fees – Note 7	240,000	240,000
Office and telephone	21,954	24,830
Property investigation costs	1,700	986
Shareholder communications	113,264	182,525
Share-based payments – Note 6	136,794	-
Transfer agent fees	<u>21,318</u>	<u>12,427</u>
Loss before other items and income taxes	(708,367)	(606,149)
Other items		
Write-off of exploration and evaluation assets	(635,845)	-
Other income	<u>58,972</u>	<u>190,375</u>
Loss before income taxes	(1,285,240)	(415,774)
Income taxes		
Deferred income tax recovery (expense) – Note 11	<u>178,524</u>	<u>(64,224)</u>
Net and comprehensive loss for the year	<u>\$ (1,106,716)</u>	<u>\$ (479,998)</u>
Basic and diluted loss per share	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>58,447,128</u>	<u>48,926,452</u>

The accompanying notes form an integral part of these financial statements

DECADE RESOURCES LTD.
STATEMENTS OF CASH FLOWS
For the years ended April 30, 2023 and 2022
(Stated in Canadian Dollars)

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Net loss for the year	\$ (1,106,716)	\$ (479,998)
Add items not affecting cash:		
Deferred income tax expense (recovery)	(178,524)	64,224
Depreciation	884	1,113
Share-based payments	136,794	-
Write-off of exploration and evaluation assets	635,845	-
Flow-through shares premium liability	<u>(58,435)</u>	<u>(190,371)</u>
	(570,152)	(605,032)
Changes in working capital items related to operations:		
GST receivable	(33,276)	30,977
Prepaid expenses	-	1,375
Accounts payable and accrued liabilities	<u>(25,083)</u>	<u>43,529</u>
	<u>(628,511)</u>	<u>(529,867)</u>
FINANCING ACTIVITIES		
Shares issued for cash	1,557,400	1,834,299
Share issuance costs	<u>(54,800)</u>	<u>(12,660)</u>
	<u>1,502,600</u>	<u>1,821,639</u>
INVESTING ACTIVITIES		
Reclamation deposits	(150,100)	-
Exploration and evaluation assets	<u>(475,571)</u>	<u>(1,570,029)</u>
	<u>(625,671)</u>	<u>(1,570,029)</u>
Change in cash	248,418	(277,541)
Cash, beginning	<u>(2,527)</u>	<u>275,014</u>
Cash (bank indebtedness), ending	<u>\$ 245,891</u>	<u>\$ (2,527)</u>
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

Non-cash Transactions – Note 9

The accompanying notes form an integral part of these financial statements

DECADE RESOURCES LTD.
STATEMENTS OF CHANGES IN EQUITY
For the years ended April 30, 2023 and 2022
(Stated in Canadian Dollars)

	<u>Share Capital</u>		Contributed Surplus	Deficit	Total Equity
	Number of Shares	Amount			
Balance at April 30, 2021	43,964,580	\$ 26,514,660	\$ 2,367,881	\$ (16,986,227)	\$ 11,896,314
Private placements	6,575,716	1,834,299	-	-	1,834,299
Share issuance costs	-	(12,660)	-	-	(12,660)
Shares issued for property acquisitions	260,000	65,000	-	-	65,000
Flow-through shares premium liability	-	(190,371)	-	-	(190,371)
Net and comprehensive loss for the year	-	-	-	(479,998)	(479,998)
Balance at April 30, 2022	50,800,297	\$ 28,210,928	\$ 2,367,881	\$ (17,466,225)	\$ 13,112,584
Private placements	14,353,334	1,557,400	-	-	1,557,400
Share issuance costs	-	(92,367)	37,567	-	(54,800)
Fair value of warrants	-	(173,667)	173,667	-	-
Flow-through shares premium liability	-	(122,067)	-	-	(122,067)
Shares issued for property acquisitions	880,000	88,000	-	-	88,000
Share-based payments	-	-	136,794	-	136,794
Net and comprehensive loss for the year	-	-	-	(1,106,716)	(1,106,716)
Balance at April 30, 2023	<u>66,033,631</u>	<u>\$ 29,468,227</u>	<u>\$ 2,715,909</u>	<u>\$ (18,572,941)</u>	<u>\$ 13,611,195</u>

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.

The accompanying notes form an integral part of these financial statements

DECADE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
April 30, 2023 and 2022
(Stated in Canadian Dollars)

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 financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These financial statements were authorized for issue on August 28, 2023 by the directors of the Company.

b) Basis of Measurement

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

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

c) Going Concern

At April 30, 2023, the Company has not generated revenue or cash flow from operations, has an accumulated deficit of \$18,572,941, a working capital deficiency of \$149,631 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.

Note 2 Basis of Preparation – (cont'd)

c) Going Concern – (cont'd)

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. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. 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.

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.

Note 2 Basis of Preparation – (cont'd)

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

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. 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.

v. 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, 12 months from the end of the reporting period. Please refer to Note 2(c) for additional information.

vi. Share-Based Payments

Management uses valuation techniques to measure the fair value of share-based payments such as stock options or broker warrants. The fair values are determined using the Black-Scholes Option Pricing Model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the options or warrants, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions could have a material impact on the Company's financial statements.

Note 3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

a) ***Financial Instruments***

All financial assets and liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and liabilities depends on the classification of such assets and liabilities.

Financial Assets

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest method. The Company classifies its accounts receivable as a financial asset at amortized cost.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings upon derecognition. The Company currently has no financial assets designated as FVTOCI. By default, all other financial assets are measured subsequently at FVTPL, which includes the Company's cash.

Financial Liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial liabilities at FVTPL, financial guarantee contracts, loan commitments at below-market interest rates, and liabilities related to contingent consideration of an acquirer in a business combination. Financial liabilities at amortized cost include bank indebtedness and accounts payable.

Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Note 3 Significant Accounting Policies – (cont'd)

b) *Mineral Exploration and Evaluation Expenditures*

Pre-Exploration Costs

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

Exploration and Evaluation Costs

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

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

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

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”.

Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Note 3 Significant Accounting Policies – (cont'd)

c) ***Government Grants***

From time to time the Company receives government incentive programs such as investment tax credits. Government incentives are accrued when there is reasonable assurance of realization and reflected as a reduction of the related asset or expense. In the event the investment tax credits received are less than the accrued amount claimed, the difference will be reflected in profit or loss or credited against exploration and evaluation assets in the year in which it is determined.

d) ***Property and Equipment***

Property and equipment are recorded at historical cost, being the purchase price and directly attributed cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property and equipment is subsequently measured at cost less accumulated depreciation, less accumulated impairment losses, with the exception of land which is not depreciated. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of net and comprehensive loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is provided for based on the estimated useful lives of the assets using the declining balance method and at the following rates:

Computer equipment	30%
Furniture and fixtures	20%
Machinery and equipment	20%

The Company provides depreciation at one-half the above rates in the year of acquisition.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

e) ***Basic and Diluted Loss Per Share***

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per common share is computed by dividing the loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share. Potentially dilutive common shares related to warrants and options outstanding were not included in the computation of loss per share because their effect was anti-dilutive.

Note 3 Significant Accounting Policies – (cont'd)

f) ***Income Taxes***

Income tax comprises current and deferred tax. Income tax is recognized in the statement of net and comprehensive loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss), in which case the income tax is also recognized directly in equity or other comprehensive income (loss).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

g) ***Share-based Payments***

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share based payments is expensed on a graded vesting basis over the vesting period based on the Company's estimate of shares that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black-Scholes Option Pricing Model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Note 3 Significant Accounting Policies – (cont'd)

h) *Flow-through Shares*

The Company will, from time to time, issue flow-through shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date. The equity portion is measured at the market value and the residual is allocated as a liability. The liability is recorded at the fair value of the obligation to renounce the expenditures that the issuer has incurred. This is effectively the “premium” the investor attributes to a flow-through share versus an ordinary share.

When the expenditures are renounced, the Company records a deferred tax liability and deferred tax expense (renounced expenditures multiplied by the effective corporate tax rate).

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

i) *Provisions*

Restoration and Environmental Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the rehabilitation 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 rehabilitation asset is depreciated on the same basis as the related asset.

The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to related asset with a corresponding entry to the rehabilitation provision.

The Company’s estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company’s estimates of reclamation costs, are charged to profit or loss for the period.

As of April 30, 2023 and 2022, the Company does not have any restoration and environmental obligations.

Note 3 Significant Accounting Policies – (cont'd)

i) **Provisions** – (cont'd)

Other Provisions

Provisions are recognized for liabilities that have arisen as a result of past transactions, including legal or constructive obligations, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

j) **Impairment of Assets**

The Company's assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of net and comprehensive income (loss) for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs 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 current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

k) **New Accounting Standards**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended April 30, 2023, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Decade Resources Ltd.
Notes to the Financial Statements
April 30, 2023 and 2022
(Stated in Canadian Dollars)

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, 2021	\$ 6,177	\$ 12,911	\$ 26,453	\$ 45,541
Balance April 30, 2022 and 2023	<u>\$ 6,177</u>	<u>\$ 12,911</u>	<u>\$ 26,453</u>	<u>\$ 45,541</u>
Accumulated depreciation				
Balance April 30, 2021	\$ 5,990	\$ 11,352	\$ 22,729	\$ 40,071
Depreciation	<u>56</u>	<u>312</u>	<u>745</u>	<u>1,113</u>
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	<u>\$ 6,085</u>	<u>\$ 11,913</u>	<u>\$ 24,070</u>	<u>\$ 42,068</u>
Net book value				
Balance April 30, 2022	<u>\$ 131</u>	<u>\$ 1,247</u>	<u>\$ 2,979</u>	<u>\$ 4,357</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 MTB Metals Corp. (formerly "Mountain Boy Minerals Ltd.") ("MTB"), 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 MTB to operate the property on a 60/40 joint venture basis.

At October 31, 2011, the Company was informed by MTB 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 MTB. Effective November 1, 2011, MTB 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.

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 MTB entered into an amending agreement which revised the amount recoverable from MTB 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 MTB which is reflected in the net cost recovery in exploration expenditures.

During the year ended April 30, 2023, the Company charged a net amount of \$1,365 (2022: \$5,897) in exploration expenditures to MTB.

At April 30, 2023, MTB owed the Company \$31,548 (2022: \$30,183) in exploration expenditures which is included in accounts receivable.

b) *Goat/Surprise Creek*

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.

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

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) ***Treasure Mountain***

On July 31, 2017, the Company entered into a property purchase agreement to acquire a 100% interest in 37 mineral claims in northern British Columbia for 2,700,000 common shares. The Company received TSX-V acceptance of the property purchase agreement on August 10, 2017 and issued the vendor 2,700,000 common shares with a fair value of \$418,500 on August 14, 2017. The Company received a reclamation deposit refund of \$28,200 from the vendor which was offset against the acquisition costs of the property and staked three additional claims at a cost of \$7,326. During the year ended April 30, 2019, the Company staked five additional claims at a cost of \$10,231.

d) ***Terrace property***

On July 8, 2019, the Company was granted the option to acquire a 100% interest in the Terrace Property, situated in the Omineca Mining Division, British Columbia. Consideration to earn the 100% interest is as follows:

Cash payments:

- i) \$20,000 on signing (paid);
- ii) a further \$30,000 on or before July 8, 2020 (paid);
- iii) a further \$50,000 on or before July 8, 2021; and
- iv) a further \$200,000 on or before July 8, 2022.

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 120 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.

During the year ended April 30, 2020, the Company staked five additional claims totalling 3,625.3 hectares located 10 kilometers east of Terrace at a cost of \$9,175.

During the year ended April 30, 2021, the Company decided not to proceed with certain claims associated with the Terrace property and recorded an impairment of \$293,677 to write-off the \$59,175 in acquisition cost and \$234,502 in exploration expenditures.

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 ("CSE"):

Decade Resources Ltd.

Notes to the Financial Statements

April 30, 2023 and 2022

(Stated in Canadian Dollars)

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

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 CSE;
- 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 CSE;
- 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 CSE;
- 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 CSE; and
- vi) issuance of 100,000 common shares on the 4th anniversary of the day Pluto's shares are listed on the CSE.

i) ***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 \$172,000 over four years, issuance of 800,000 common shares on signing, issuance of \$208,000 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 (paid) cash payment 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;

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.

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

During the year ended April 30, 2023 the Company received \$135,872 in respect of the BC mineral exploration tax credit (2022: \$Nil).

j) ***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:

- i) \$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) and issuance of \$15,000 worth of common shares (issued) 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 January 31, 2024);
- 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;
- 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;

Exploration expenditures:

- i) \$200,000 on or before August 24, 2021 (incurred);
- ii) \$250,000 on or before August 24, 2022 (extended to January 31, 2024);
- vi) \$300,000 on or before August 24, 2023;
- vii) \$500,000 on or before August 24, 2024; 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.

Note 6 Share Capital – (cont'd)

b) **Issued:**

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%.

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.

Year ended April 30, 2022

In the month of June 2021, the Company issued a total of 378,714 flow-through units at \$0.35 per unit for proceeds of \$132,550 and 1,442,002 non-flow-through units at \$0.25 per unit for proceeds of \$360,501. 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 \$0.50 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 \$0.40 per share.

Decade Resources Ltd.
Notes to the Financial Statements
April 30, 2023 and 2022
(Stated in Canadian Dollars)

Note 6 Share Capital – (cont'd)

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

On August 13, 2021, The Company issued 2,000,000 non-flow-through units at \$0.25 per unit for proceeds of \$500,000. 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 \$0.40 per share.

On August 18, 2021, the Company issued 200,000 common shares at a fair value of \$0.25 per share for a total of \$50,000 pursuant to the Del Norte property agreement.

On August 23, 2021, the Company issued 60,000 common shares at a fair value of \$0.25 per share for a total of \$15,000 pursuant to the Lord Nelson property agreement.

On September 14, 2021, the Company issued a total of 1,525,000 flow-through units at \$0.35 per unit for proceeds of \$533,750 and 1,230,000 non-flow-through units at \$0.25 per unit for proceeds of \$307,500. 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 \$0.50 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 \$0.40 per share.

b) **Share Purchase Warrants:**

A summary of share purchase warrant activity for the years ended April 30, 2023 and 2022 is presented below:

	<u>Year ended April 30, 2023</u>		<u>Year ended April 30, 2022</u>	
	<u>Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Warrants</u>	<u>Weighted Average Exercise Price</u>
Outstanding, beginning of year	13,535,716	\$0.45	8,960,000	\$0.45
Issued	14,760,001	\$0.16	6,575,716	\$0.45
Expired	<u>(6,960,000)</u>	<u>\$0.46</u>	<u>(2,000,000)</u>	<u>\$0.30</u>
Outstanding, end of year	<u>21,335,717</u>	<u>\$0.24</u>	<u>13,535,716</u>	<u>\$0.45</u>

Decade Resources Ltd.
Notes to the Financial Statements
April 30, 2023 and 2022
(Stated in Canadian Dollars)

Note 6 Share Capital – (cont'd)

b) **Share Purchase Warrants:** - (cont'd)

At April 30, 2023, the Company had 21,335,717 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>
334,429	\$0.50	June 4, 2023
1,270,002	\$0.40	June 4, 2023
44,285	\$0.50	June 22, 2023
172,000	\$0.40	June 22, 2023
2,000,000	\$0.40	August 13, 2023
1,525,000	\$0.50	September 14, 2023
1,230,000	\$0.40	September 14, 2023
2,250,000	\$0.13	October 6, 2024
6,000,000	\$0.16	November 4, 2024
3,660,000	\$0.16	April 6, 2026
<u>2,850,001</u>	\$0.16	May 4, 2026
<u>21,335,717</u>		

At April 30, 2023, the outstanding share purchase warrants had a weighted average remaining contractual life of 1.57 years.

c) **Stock Option 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 October 24, 2022, the Company granted 1,500,000 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 \$0.10 until October 24, 2027 and were fully vested on the grant date. The fair value of the stock options of \$136,794 or \$0.0912 per option was determined using the Black-Scholes Option Pricing Model with the following assumptions

Risk-free interest rate	3.71%
Expected life of options	5 years
Annualized volatility	181%
Dividend rate	0%
Forfeiture rate	0%
Share price on grant date	\$ 0.095

Decade Resources Ltd.
Notes to the Financial Statements
April 30, 2023 and 2022
(Stated in Canadian Dollars)

Note 6 Share Capital – (cont'd)

c) **Stock Option Plan:** - (cont'd)

A summary of stock option activity for the years ended April 30, 2023 and 2022 is presented below:

	<u>Year ended April 30, 2023</u>		<u>Year ended April 30, 2022</u>	
	<u>Number</u>	<u>Weighted Average Exercise Price</u>	<u>Number</u>	<u>Weighted Average Exercise Price</u>
Outstanding, beginning of year	3,304,600	\$0.28	3,304,600	\$0.28
Granted	1,500,000	\$0.10	-	\$ -
Expired	<u>(1,554,600)</u>	<u>\$0.30</u>	<u>-</u>	<u>\$ -</u>
Outstanding, end of year	<u>3,250,000</u>	<u>\$0.18</u>	<u>3,304,600</u>	<u>\$0.28</u>

At April 30, 2023, the Company had 3,250,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

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

At April 30, 2023, the outstanding stock options had a weighted average remaining contractual life of 3.48 years.

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 years ended April 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Consulting fees	\$ 36,000	\$ 36,000
Exploration and evaluation assets – drilling	155,120	783,920
Exploration and evaluation assets – equipment rental	35,770	65,471
Exploration and evaluation assets – field supplies	40,878	22,204
Exploration and evaluation assets – geological	-	64,300
Exploration and evaluation assets – labour	-	28,525
Exploration and evaluation assets – supervision	76,900	10,000
Management fees	<u>240,000</u>	<u>240,000</u>
	<u>\$ 584,668</u>	<u>\$ 1,250,420</u>

Decade Resources Ltd.
Notes to the Financial Statements
April 30, 2023 and 2022
(Stated in Canadian Dollars)

Note 7 Related Party Transactions - (cont'd)

At April 30, 2023 accounts payable and accrued liabilities includes \$13,020 (2022: \$33,020) 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 years ended April 30, 2023 and 2022, the Company incurred the following key management charges:

	<u>2023</u>	<u>2022</u>
Management fees	\$ 240,000	\$ 240,000
	<u>\$ 240,000</u>	<u>\$ 240,000</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.

The carrying value of the Company's financial assets and liabilities, except for cash (classified as FVTPL at Level 1), are classified at amortized cost as at April 30, 2023. The fair values of financial instruments, which include cash, amounts receivable, bank indebtedness and accounts payable approximate their carrying values due to the relatively short-term maturity of these instruments.

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.

Decade Resources Ltd.

Notes to the Financial Statements

April 30, 2023 and 2022

(Stated in Canadian Dollars)

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

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 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 Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. The following transactions have been excluded from the statements of cash flows:

For the year ended April 30, 2023:

- Included in accounts receivable is \$1,365 of cost recoveries for exploration and evaluation assets expenditures from its joint venture partner on the Red Cliff property.
- The Company issued shares for mineral properties with an amount of \$88,000.

For the year ended April 30, 2022:

- Included in accounts receivable is \$5,897 of cost recoveries for exploration and evaluation assets expenditures from its joint venture partner on the Red Cliff property.
- The Company issued shares for mineral properties with an amount of \$65,000.

Decade Resources Ltd.

Notes to the Financial Statements

April 30, 2023 and 2022

(Stated in Canadian Dollars)Note 10 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.

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 years ended April 30, 2023 and 2022.

Note 11 Income Taxes

	<u>2023</u>	<u>2022</u>
Deferred tax expense (recovery)	\$ <u>(178,524)</u>	\$ <u>64,224</u>
	\$ <u>(178,524)</u>	\$ <u>64,224</u>

The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

	<u>2023</u>	<u>2022</u>
Loss before tax per the accounts	\$ <u>(1,285,240)</u>	\$ <u>(415,774)</u>
Canadian statutory income tax rate	27.00%	27.00%
Income tax expense (recovery) at statutory rates	\$ (347,015)	\$ (112,259)
Flow-through shares	197,748	179,901
Other differences	<u>(29,257)</u>	<u>(3,418)</u>
Deferred income tax expense (recovery)	\$ <u>(178,524)</u>	\$ <u>64,224</u>

Decade Resources Ltd.
Notes to the Financial Statements
April 30, 2023 and 2022
(Stated in Canadian Dollars)

Note 11 **Income Taxes – (cont'd)**

The nature and tax effect of the taxable temporary differences giving rise to deferred tax liabilities are summarized as follows:

	<u>2023</u>	<u>2022</u>
Non-capital losses	\$ 2,390,938	\$ 2,196,569
Undeducted financing costs	16,220	6,234
Resource properties	(2,896,512)	(2,870,442)
Property and equipment	<u>21,495</u>	<u>21,256</u>
	\$ <u>(467,859)</u>	\$ <u>(646,383)</u>

At April 30, 2023, the Company has estimated non-capital losses for tax purposes that may be carried forward to reduce taxable income of future years, as summarized below:

Year of Expiry	
2028	\$ 65,000
2029	238,000
2030	626,000
2031	874,000
2032	705,000
2033	675,000
2034	392,000
2035	466,000
2036	241,000
2037	253,000
2038	850,000
2039	875,000
2040	590,000
2041	858,000
2042	617,000
2043	<u>530,000</u>
	\$ <u>8,855,000</u>

Flow-through Shares

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended April 30, 2023, the Company received a total of \$732,400 from the issuance of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. The Company renounced \$732,400 to the subscribers as at December 31, 2022. As at April 30, 2023, the Company incurred \$350,613 of the required exploration expenditures.

Decade Resources Ltd.

Notes to the Financial Statements

April 30, 2023 and 2022

(Stated in Canadian Dollars)

Note 12 Subsequent Events

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.

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.

On August 11, 2023, the Company issued 2,500,000 common shares on the exercise of 2,500,000 warrants for gross proceeds of \$400,000.

DECADE RESOURCES LTD.
SCHEDULE OF EXPLORATION AND EVALUATION ASSETS
for the year ended April 30, 2023
(Stated in Canadian Dollars)

	<u>Red Cliff</u>	<u>Lord Nelson</u>	<u>Goat/Surprise Creek</u>	<u>Treasure Mountain</u>	<u>Terrace Property</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>407,857</u>	<u>9,519</u>	<u>404,000</u>	<u>1,353,626</u>
Deferred exploration costs							
Balance, April 30, 2022	12,757,792	306,400	518,453	176,300	268,449	2,853,925	16,881,320
Assays – Note 7	-	-	-	-	-	39,751	39,751
Drilling	-	-	-	-	156,710	-	156,710
Equipment rental – Note 7	-	-	-	-	29,971	40,740	70,711
Field and supplies – Note 7	10,000	-	-	43,167	58,534	1,419	113,120
Geological – Note 7	2,300	-	5,100	-	79,763	1,800	88,963
Helicopter	-	-	-	31,171	-	-	31,171
Labour – Note 7	-	-	-	-	435	-	435
Supervision – Note 7	1,600	-	1,600	26,400	31,300	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>277,038</u>	<u>625,162</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>-</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>\$ 684,895</u>	<u>\$ 624,681</u>	<u>\$ 3,221,763</u>	<u>\$13,956,927</u>

DECADE RESOURCES LTD.
SCHEDULE OF EXPLORATION AND EVALUATION ASSETS
for the year ended April 30, 2022
(Stated in Canadian Dollars)

	<u>Red Cliff</u>	<u>Lord Nelson</u>	<u>Goat/Surprise Creek</u>	<u>Treasure Mountain</u>	<u>Terrace Property</u>	<u>Del Notre Property</u>	<u>Total</u>
Property acquisition costs							
Balance, April 30, 2021	\$ 466,085	\$ 34,000	\$ 110,692	\$ 407,857	\$ -	\$ 144,000	\$ 1,162,634
Cash paid	-	15,000	-	-	-	90,000	105,000
Shares issued	-	15,000	-	-	-	50,000	65,000
Balance, April 30, 2022	<u>466,085</u>	<u>64,000</u>	<u>110,692</u>	<u>407,857</u>	<u>-</u>	<u>284,000</u>	<u>1,332,634</u>
Deferred exploration costs							
Balance, April 30, 2021	12,739,792	300,600	517,533	176,300	-	1,612,045	15,346,290
Assays – Note 7	-	-	-	-	-	52,257	52,257
Drilling	-	-	-	-	194,426	623,853	818,279
Equipment rental – Note 7	12,000	-	-	-	29,145	54,595	95,740
Field and supplies – Note 7	-	-	-	-	24,180	80,331	104,511
Geological – Note 7	4,050	5,800	900	-	4,000	92,042	106,792
Helicopter	-	-	-	-	-	297,384	297,384
Labour – Note 7	-	-	-	-	9,198	38,919	48,117
Supervision – Note 7	-	-	-	-	7,500	2,500	10,000
Surveying	1,950	-	-	-	-	-	1,950
Balance, April 30, 2022	<u>12,757,792</u>	<u>306,400</u>	<u>518,453</u>	<u>176,300</u>	<u>268,449</u>	<u>2,853,925</u>	<u>16,881,320</u>
Cost recoveries							
Balance, April 30, 2021	(4,177,492)	-	-	-	-	-	(4,177,492)
Joint venture – Note 5	(5,897)	-	-	-	-	-	(5,897)
BC Mining Credit	-	-	-	-	-	-	-
Balance, April 30, 2022	<u>(4,183,389)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,183,389)</u>
Totals	<u>\$ 9,040,488</u>	<u>\$ 370,400</u>	<u>\$ 629,145</u>	<u>\$ 584,157</u>	<u>\$ 268,449</u>	<u>\$ 3,137,925</u>	<u>\$14,030,565</u>