HELIOSTAR METALS LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED

SEPTEMBER 30, 2023, AND 2022

HELIOSTAR METALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Presented in Canadian Dollars)

	Note	September 30, 2023	March 31, 2023
		$	$
Assets			
Current			
Cash		1,016,556	4,129,232
Short-term investments	5	28,750	28,750
Marketable securities	6	-	30,000
Amounts receivable		76,458	45,598
Prepaid amounts and advances	7	1,712,455	2,331,552
		2,834,219	6,565,132
Non-current			
Long-term prepaid amounts	7	50,367	71,081
Exploration and evaluation assets	8	25,955,874	25,724,527
Equipment	9	1,249,102	1,327,062
		27,255,343	27,122,670
		30,089,562	33,687,802
Liabilities			
Current			
Accounts payable and accrued liabilities		393,809	1,091,275
Due to related parties	11	-	195,635
		393,809	1,286,910
Non-current			
Long-term liabilities	4	174,120	168,717
Reclamation and closure cost provisions	12	375,932	187,898
Consideration payable	4	2,447,896	2,308,246
		2,997,948	2,664,861
Total Liabilities		3,391,757	3,951,771
Shareholders' equity			
Share capital	13	82,633,629	76,820,382
Accumulated other comprehensive income		282,795	282,795
Reserves	13	10,590,615	9,136,749
Deficit		(66,809,234)	(56,503,895)
		26,697,805	29,736,031
		30,089,562	33,687,802

Nature of operations and continuance of operations (Note 1)

Subsequent events (Note 16)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 15, 2023. They are signed on the Company's behalf by:

/s/ Jacques Vaillancourt, Director /s/ Ken Booth, Director

HELIOSTAR METALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Presented in Canadian Dollars)

	Note	Three months ended September 30, 2023	Three months ended September 30, 2022	Six months ended September 30 2023	Six months ended September 30 2022
Exploration and evaluation					
Exploration expenditures	8	$ 4,284,878	$ 141,149	$ 7,235,309	$ 508,881
General and administrative					
Accretion of provision for reclamation and closure		$ 4,228	$ -	$ 8,456	$ -
Depreciation	9	38,980	7,211	77,960	14,421
Directors' fees	11	14,750	22,062	29,500	44,125
Insurance		16,436	13,231	30,388	29,444
Investor relations and marketing		222,949	142,999	944,160	321,745
Management fees	11	104,250	104,250	208,500	208,500
Office operations		135,511	130,951	263,048	245,598
Professional fees		93,654	68,490	167,717	106,640
Regulatory fees		32,053	11,243	48,265	19,764
Rent		6,682	6,682	13,364	13,364
Share-based compensation	11, 12 (c),(e)	543,870	155,637	965,335	340,617
Transfer agent		3,952	3,185	9,395	6,065
Travel and promotion		7,587	1,277	23,036	2,588
		$ 1,224,902	$ 667,218	$ 2,789,124	$ 1,352,871
Loss before the undernoted		(5,509,780)	(808,367)	(10,024,433)	(1,861,752)
Other income / (expense)					
Foreign exchange loss		(410,316)	(34,430)	(143,788)	(72,098)
Interest income		8,905	184	18,047	184
Contingent payable revaluation loss		(121,197)	-	(139,650)	-
Changes in fair value of marketable securities	6	-	(13,750)	-	(68,750)
Loss from sale of marketable securities		(5,515)	-	(15,515)	-
		(528,123)	(47,996)	(280,906)	(140,664)
Loss and Comprehensive loss for the period		$ (6,037,903)	$ (856,363)	$ (10,305,339)	$ (2,002,416)
Basic and diluted loss per share		$ (0.04)	$ (0.02)	$ (0.07)	$ (0.04)
Weighted average number of common shares outstanding (basic and diluted)		166,692,636	50,734,818	147,773,612	46,901,641

HELIOSTAR METALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Presented in Canadian Dollars)

	Share Capital					
	Number of Shares	Amount	Reserves	Accumulated Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance, March 31, 2022	43,026,340	$ 54,732,184	$ 7,237,729	$ 282,795	$ (51,972,189)	$ 10,280,519
Private placement	12,020,000	3,005,000	-	-	-	3,005,000
Share issuance costs - cash	-	(41,842)	-	-	-	(41,842)
Share issuance costs - warrants	-	(5,078)	5,078	-	-	-
Share-based compensation	-	-	340,617	-	-	340,617
Loss for the period	-	-	-	-	(2,002,416)	(2,002,416)
Balance, September 30, 2022	**55,046,340**	**$ 57,690,264**	**$ 7,583,424**	**$ 282,795**	**$ (53,974,605)**	**11,581,878**
Balance, March 31, 2023	147,773,612	$ 76,820,382	$ 9,136,749	$ 282,795	$ (56,503,895)	$ 29,736,031
Private placement	18,919,024	6,621,658	378,380	-	-	7,000,038
Share issuance costs - cash	-	(698,260)	-	-	-	(698,260)
Share issuance costs - warrants	-	(17,328)	17,328	-	-	-
Share issuance costs - options	-	(92,823)	92,823	-	-	-
Share-based compensation	-	-	965,335	-	-	965,335
Loss for the period	-	-	-	-	(10,305,339)	(10,305,339)
Balance, September 30, 2023	**166,692,636**	**$ 82,633,629**	**$ 10,590,615**	**$ 282,795**	**$ (66,809,234)**	**$ 26,697,805**

HELIOSTAR METALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023, AND 2022
(Presented in Canadian Dollars)

		Six months ended September 30		
		2023		**2022**
Cash provided by (used in):				
Operating activities				
Loss for the period	$	(10,305,339)	$	(2,002,416)
Items not affecting cash:				
Accretion of provision for reclamation and closure		8,456		-
Depreciation		77,960		14,421
Share-based payments		965,335		340,617
Fair value loss on marketable securities		-		68,750
Loss from sale on marketable securities		15,515		-
Unrealized foreign exchange		5,403		-
Consideration payable revaluation		139,650		-
Net change in non-cash working capital				
Amounts receivable		(30,860)		5,806
Prepaid amounts and advances		639,811		(45,422)
Accounts payable and accrued liabilities		(697,466)		(1,064,058)
Reclamation bond		-		7,407
Due to related parties		(195,635)		(13,128)
	$	(9,377,170)	$	(2,688,023)
Investing activities				
Acquisition of exploration and evaluation assets		(51,769)		(144,671)
Proceeds from sale of marketable securities		14,485		-
	$	(37,284)	$	(144,671)
Financing activities				
Proceeds from share issuance, net of share issue costs		6,301,778		2,963,158
	$	6,301,778	$	2,963,158
Change in cash		(3,112,676)		130,464
Cash, beginning of the period	$	4,129,232	$	1,183,046
Cash, end of the period	$	1,016,556	$	1,313,510

Schedule of Non-cash Investing and Financing Transactions				
Residual value of warrants	$	378,380	$	-
Fair value of broker's warrants		17,328		5,078
Change in estimated reclamation		179,578		-
Cash paid during the period for interest	$	-	$	-
Cash paid during the period for taxes	$	-	$	-

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Heliostar Metals Ltd. (the "Company") is engaged in the acquisition, exploration, and development of mineral properties in North America. The Company is incorporated and domiciled in Canada under the Business Corporations Act (British Columbia), and its registered office is Suite 900, 885 West Georgia Street, Vancouver, BC, V6C 3H1. The Company is trading on the TSX Venture Exchange (TSX-V) under the trading symbol "HSTR". The Company is also trading on the OTCQX under the trading symbol "HSTXF".

These condensed consolidated interim financial statements (the "Financial Statements") have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from the disposition of mineral properties.

The Company has incurred operating losses since inception, is unable to self-finance operations, and has significant cash requirements to meet its overhead and maintain its mineral interests.

The Company's ability to continue as a going concern is dependent on the Company's ability to obtain additional debt or equity financing to successfully advance the exploration and development of mineral property interests in its exploration portfolio and to be able to derive material proceeds from the sale or divestiture of those properties and/or other assets, such as sale proceeds, royalty rights and equity interests. These Financial Statements do not include any adjustments 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. Such adjustments could be material. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Rounded to 000's	**September 30, 2023**	**March 31, 2023**
Working capital	$ 2,440,000	$ 5,278,000
Accumulated deficit	$ (66,902,000)	$ (56,504,000)

2. BASIS OF PREPARATION – STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting and related IFRS Interpretations Committee ("IFRICs"), as issued by the International Accounting Standards Board ("IASB"). The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss and fair value through other comprehensive income, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

These financial statements incorporate the financial statements of the Company and the entities controlled by the Company, which consist of:

Name of the company	Place of incorporation	Proportion of ownership interest June 30, 2023	Proportion of ownership interest March 31, 2023	Principal activity
Heliostar Metals USA Inc.	Nevada, USA	100%	100%	Mineral exploration
Heliostar Metals Alaska Inc.	Alaska, USA	100%	100%	Mineral exploration
Heliodor Metals Limited	British Columbia, Canada	100%	100%	Holding company
Heliodor Metals Mexico S.A. de C.V.	Chihuahua, Mexico	100%	100%	Mineral exploration
Aurea Mining Inc.	British Columbia, Canada	100%	0%	Holding company
Minera Aurea S.A. de C.V.	Guerrero, Mexico	100%	0%	Mineral exploration
Heliostar Metals S.A. de C.V.	Chihuahua, Mexico	100%	0%	Mineral exploration

Since these Financial Statements do not include all disclosures required by IFRS for annual consolidated financial statements, they should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended March 31, 2023.

The preparation of Financial Statements in accordance with IAS 1 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. MATERIAL ACCOUNTING POLICIES DISCLOSURE INFORMATION

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual consolidated financial statements. For a complete summary of significant accounting policies, please refer to the Company's audited annual consolidated financial statements for the year ended March 31, 2023. Certain comparative figures may have been reclassified to conform to the current period's presentation.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the Financial Statements.

a) Key sources of estimation uncertainty

Share-based payments
The fair value of stock options granted is measured using the Black-Scholes option pricing model, which was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's stock options have characteristics significantly different from those of traded options, and changes in the highly subjective input assumptions can materially affect the calculated values. The fair value of stock options granted using the Black-Scholes option pricing model do not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

Income taxes
Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such a determination is made.

Estimated useful lives and depreciation of equipment
Depreciation of equipment is dependent upon estimates of useful lives based on management's judgment.

Reclamation and closure cost provisions
The Company's provisions for reclamation and closure costs represent management's best estimate of the present value of the future cash outflows required to settle the liabilities, which reflects estimates of future costs, inflation, movements in foreign exchange rates, and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above estimates and assumptions can result in changes to the provisions recognized by the Company.

Fair value of assets and liabilities acquired
The cost of acquiring exploration and evaluation assets is capitalized and represents their fair value at the date of acquisition. The carrying values of Aurea Mining acquired by the Company are subject to estimates relating to the fair value of other assets and liabilities of Aurea Mining at the acquisition date.

Contingent consideration
The Company's accounting policy for contingent consideration involves making estimates and assumptions regarding future events or circumstances. These include assessing probabilities and timing of payments and applying discount rates to cash flows. These estimates are subject to change with new information.

3. MATERIAL ACCOUNTING POLICIES DISCLOSURE INFORMATION (Continued)

b) Key sources of judgment uncertainty

Going concern evaluation

As discussed on note 1, these Financial Statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these Financial Statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used, and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period. There were no material changes to the assessment as at September 30, 2023.

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company and its wholly owned subsidiaries is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Exploration and evaluation assets

Management reviews the carrying value of the Company's exploration and evaluation assets on a quarterly basis or when there are indications that the carrying amount may not be recovered. The assessment of potential impairment involves judgment and considers various factors such as the Company's market capitalization, fluctuations in metal prices, property plans, and the results of exploration activities conducted so far. This evaluation also considers changes in the market or business environment, events that have affected the asset, and information obtained from internal reporting to determine if any indications of impairment exist.

Impairment

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If an 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 (“CGU”), exceeds its recoverable amount. A CGU 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 profit and loss for the period.

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 by the CGU to which the asset belongs.

Non-monetary assets are tested for impairment when events or changes in circumstance indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset). An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

3. MATERIAL ACCOUNTING POLICIES DISCLOSURE INFORMATION (Continued)

b) Key sources of judgment uncertainty (Continued)

Reversal of impairment
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. An impairment loss with respect to goodwill is never reversed.

Acquisitions
On acquisition of a set of assets and liabilities, management applies judgment in determining whether the set acquired includes the inputs and processes applied to those inputs necessary to constitute a business as defined in IFRS 3 – Business Combinations. Transactions accounted for as business combinations may result in goodwill, or a bargain purchase gain, and transaction costs are expensed. Transactions accounted for as asset acquisitions do not result in goodwill, or a bargain purchase gain, and transaction costs are capitalized as part of the assets acquired.

Based on an assessment of the relevant facts and circumstances, the Company concluded that the acquisition of Aurea Mining Inc. (Note 4) met the criteria for accounting as an asset.

c) New accounting pronouncements

In the current year, the Company has applied the below amendments to IFRS Standards and interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments— Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 regarding disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make based on those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events, or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The International Accounting Standards Board ("IASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments were applied effective April 1, 2023, and did not have a material impact on the Company's consolidated financial statements.

4. ACQUISITION OF AUREA MINING

On March 28, 2023, the Company acquired 100% of the issued and outstanding shares of Aurea Mining Inc. (“Aurea Mining”), a wholly owned subsidiary of Argonaut Gold Inc. ("Argonaut"), a publicly traded company listed on the Toronto Stock Exchange. Aurea Mining's wholly owned subsidiary Minera Aurea, S.A. de C.V. ("Minera Aurea") holds a 100% indirect interest in the Ana Paula project (“Ana Paula”).

For accounting purposes, the acquisition has been recorded as an asset acquisition as Aurea Mining did not meet the definition of a business, as defined in IFRS 3 Business Combinations.

On September 1, 2023, the Company signed an agreement with Argonaut which amend certain provisions in the purchase consideration.

Purchase consideration includes the following:

1. a US$10 million ($13,626,000) payment on closing (paid).

2. On the earlier of (a) receiving an extension to the existing Ana Paula open-pit mining permit and (b) the granting of a new underground mining permit, the issuance to Argonaut of such number of common shares in the capital of the Company (each, a “Heliostar Share”) as is equal to US$5.0 million divided by the Volume-Weighted Average Price (“VWAP”) of the Heliostar Shares for the ten trading days ending on the last trading day immediately prior to the date of award of the earlier of the permits referenced (March 31, 2023: US$5.0 million divided by the Heliostar share price of $0.25).

3. On the earlier of (a) the date of completion of a feasibility study for the Ana Paula project and (b) January 1, 2025 (March 31, 2023: July 1, 2024), a cash payment to Argonaut of US$2.0 million.

4. On the date that the Company announces a construction decision for the Ana Paula project it will pay Argonaut a cash payment of US$3.0 million and US$2.0 million in cash or Heliostar Shares at a price equal to the VWAP of the Heliostar Shares for the ten trading days immediately prior to the announcement of the construction decision; and

5. If the Company doesn't announce mine construction at the Ana Paula Project by July 1, 2025, they must make annual payments of US$300,000 to Argonaut. Alternatively, they can issue Heliostar Shares equal to US$300,000 divided by VWAP of Heliostar Shares. However, if construction is delayed due to permit issues, no payments are required. Any payments made will be credited towards the US$5.0 million payment required on the commencement of commercial production.

6. On the date that the Company commences commercial production at the Ana Paula project, it will pay Argonaut an additional US$5.0 million in cash and US$3.0 million in cash or Heliostar Shares at a price equal to the VWAP of the Heliostar Shares for the ten trading days immediately prior to the announcement of commercial production.

Consideration payable is comprised of the US$2.0 million payable due on the earlier of completion of a feasibility study and January 1, 2025.

The pre-tax discount rate applied to the consideration payable calculation is 12%, which represents the current market assessment of the risk specific to the Company, taking into consideration the time value. A 10% decrease/increase in the discount rate would increase/decrease the consideration payable balance as of September 30, 2023, by approximately $202,274.

As of September 30, 2023, the contingent payable provision has been revalued to $2,447,896, and the loss of $139,650 has been recorded in the consideration payable revaluation loss for the six-month period ended September 30, 2023 (September 30, 2022 - $nil).

4. ACQUISITION OF AUREA MINING (continued)

Net identifiable assets (liabilities) acquired in the acquisition of Ana Paula are identified as follows:

Total consideration		
Cash payment	$	13,626,000
Transaction costs		452,699
Consideration payable		2,308,246
	$	**16,386,945**

Net identifiable assets (liabilities) acquired		
Cash and cash equivalents	$	18,016
Prepaid expenses and deposits		45,028
Property, plant, and equipment		1,259,766
Exploration and evaluation assets		15,489,131
Accounts payable and accrued liabilities		(68,381)
Other long-term liabilities		(168,717)
Asset retirement obligation		(187,898)
Total	**$**	**16,386,945**

5. SHORT-TERM INVESTMENTS

As at September 30, 2023, the Company pledged $28,750 with Bank of Montreal (March 31, 2023 - $28,750) as collateral for a corporate credit card.

6. MARKETABLE SECURITIES

Description	Shares	Cost	Fair value at September 30, 2023	Fair value at March 31, 2023
Trillium Gold	-	$ -	$ -	$ 30,000

During the period ended September 30, 2023, the Company sold marketable securities for proceeds of $14,485 (March 31, 2022 - $nil) and recognized a fair value loss of $15,515 (March 31, 2022 - $nil) in profit or loss.

7. PREPAID AMOUNTS AND ADVANCES

	September 30, 2023	March 31, 2023
Prepaid amounts and advances	$ 1,712,455	$ 2,331,552
Long-term prepaid amounts	$ 50,367	$ 71,081

Prepaid amounts include advances made to contractors and expenses related to future periods which are expensed when they are incurred.

8. EXPLORATION AND EVALUATION ASSETS

The Company has the following interests in mineral properties as at September 30, 2023, and March 31, 2023:

Property acquisition costs	March 31, 2023	Acquisition costs	September 30, 2023
Alaska (USA)			
Unga project	$ 4,568,405	$ -	$ 4,568,405
Sonora (Mexico)			
Heliodor projects	5,666,991	-	5,666,991
Guerrero (Mexico)			
Ana Paula project	15,489,131	231,347	15,720,478
	$ 25,724,527	$ 231,347	$ 25,955,874

Property acquisition costs	March 31, 2022	Acquisition costs	March 31, 2023
Alaska (USA)			
Unga project	$ 4,448,300	$ 120,105	$ 4,568,405
Sonora (Mexico)			
Heliodor projects	5,666,991	-	5,666,991
Guerrero (Mexico)			
Ana Paula project	-	15,489,131	15,489,131
	$ 10,115,291	$ 15,609,236	$ 25,724,527

8. EXPLORATION AND EVALUATION ASSETS *(Continued)*

The Company incurred the following exploration expenditures during the three months ended September 30, 2023, and 2022:

Exploration expenditures	Alaska Unga	Sonora Heliodor	Guerrero Ana Paula	Total
Assaying	$ -	$ -	$ 420	$ 420
Camp support	54,154	-	1,039,974	1,094,128
Claim maintenance	-	9,725	1,388,975	1,398,700
Consulting	40,001	-	389,007	429,008
Drilling	-	-	1,485,998	1,485,998
Equipment rental	-	1,392	112,372	113,764
Fuel & transportation	-	-	73,598	73,598
Geological	-	-	1,022,153	1,022,153
Geophysical	1,996	-	-	1,996
Other	-	13	47,662	47,675
Permitting	403	-	203,323	203,726
Rescoping	-	-	206,386	206,386
Safety	-	-	100,180	100,180
Site preparation	-	-	801,724	801,724
Supplies and materials	236	-	4,805	5,041
Technical report	-	-	10,102	10,102
Transportation and surface access	-	16,847	127,922	144,769
Travel and accommodation	8,419	-	87,522	95,941
Period ended September 30, 2023	**$ 105,209**	**$ 27,977**	**$ 7,102,123**	**$ 7,235,309**

Exploration expenditures	Alaska Unga	Sonora Heliodor	Total
Assaying	$ -	$ 35,085	$ 35,085
Camp	23,346	-	23,346
Consulting	137,449	-	137,449
Drilling	-	8,192	8,192
Equipment rental	1,549	2,306	3,855
Fuel & transportation	49,421	229	49,650
Geological	263	85,278	85,541
Geophysical	77,345	12,335	89,680
Other	-	422	422
Permitting	258	6,187	6,445
Supplies and materials	20	604	624
Transportation and surface access	25,822	10,698	36,520
Travel and accommodation	22,988	9,084	32,072
Period ended September 30, 2022	**$ 338,461**	**$ 170,420**	**$ 508,881**

8. EXPLORATION AND EVALUATION ASSETS *(Continued)*

a) Ana Paula Project, Guerrero, Mexico

The Ana Paula Project is a gold resource development project located in Guerrero State, Mexico.

The Company acquired the Ana Paula project in March 2023 from Argonaut Gold, Inc. (Note 4). The Company recognizes the liabilities for legal or constructive obligations associated with the retirement of the Ana Paula projects (Note 12).

b) San Antonio option

In December 2022, the Company entered into an Option Agreement with Argonaut with an amendment in February 2023, whereby the Company has been granted the option to acquire a 100% interest in and to Argonaut's San Antonio project, located in Baja California Sur, Mexico. The term of the Option Agreement is for a three-year period, provided, however, the term may be extended for an additional 18-months in the event the Company is able to successfully acquire the required environmental permits to advance the San Antonio gold project. The consideration payable upon exercise of the option is summarized below:

1. A cash payment to Argonaut of US$80 million in the event the average gold price is below $1,800 per ounce for the six months preceding the Company exercising the option; or
2. A cash payment to Argonaut of US$120 million in the event the average gold price is between $1,800 per ounce to $2,000 per ounce for the six months preceding the Company exercising the option; or
3. A cash payment to Argonaut of US$150 million in the event the average gold price is above $2,000 per ounce for the six months preceding the Company exercising the option; and
4. Granting Argonaut a 2% NSR royalty in the event of exercise of the option (capped at 2% for claims with existing NSR considerations).

c) Unga Project, Alaska, USA

The Unga Project is comprised of patented Alaska State claims and Alaskan Native Corporation lands. The Company owns 100% of the patented claims and the state claims in the Unga Project.

On July 1, 2019, (amended on August 29, 2019), the Company signed an exploration agreement with an option to lease with The Aleut Corporation (“TAC”) (the “Agreement”). The Agreement provides for an exploration license with a follow-on 20-year extendable mining lease on TAC’s properties which form part of the Company’s “Unga Project”. The Agreement runs for a period of eight (8) years allowing the Company to conduct sub-surface work.

8. EXPLORATION AND EVALUATION ASSETS *(Continued)*

c) Unga Project, Alaska, USA (continued)

Pursuant to the Agreement, the Company is required to complete the following:

	Cash (US$)	(a)	Exploration Expenditure on the Property (US$)	(b)
On the execution date of the agreement	$75,000	(i)	$500,000	(ii)
January 1, 2020	75,000	(i)	525,000	(ii)
January 1, 2021	80,000	(i)	525,000	(ii)
January 1, 2022	85,000	(i)	550,000	(ii)
January 1, 2023	90,000	(i)	600,000	(ii)
January 1, 2024	95,000		700,000	(ii)
January 1, 2025	100,000		750,000	(ii)
January 1, 2026	110,000		850,000	(ii)
	$710,000		$5,000,000	

(a) The cash amount includes the option payments and the materials payments.
(b) The first year's year begins from July 1, 2019 until December 31, 2019. Subsequent years commence on January 1 of each year and finishes on December 31 of that year.
(i) Paid
(ii) Incurred

On October 8, 2019, the Company signed a surface access agreement with The Shumagin Corporation (“TSC”). The agreement provides access to the Company’s mineral exploration license underlain by TSC’s property which forms part of the Company’s “Unga Project”. Upon signing this agreement, the Company paid Shumagin a fee in the amount of US$10,000. If the Company conducts drilling or bulk sampling, before commencing that activity the Company will pay an additional US$22,500 (paid).

d) Heliodor projects, Sonora, Mexico

As part of the acquisition of Heliodor Metals Limited (“Heliodor”) in August 2020, the Company acquired the following Heliodor projects located in the northern portion of Mexico's Sonora state:

(i) The Oso Negro project

The Company has a 100% interest in this property. The project is subject to a 1% net smelter royalty that the Company can buy for US$500,000.

(ii) The La Lola project

The Company has a 100% interest in this property. The project is subject to a 2% net smelter royalty that the Company can buy 1% of such for US$1,750,000.

(iii) The Cumaro project

The Company has a 100% interest in this property. The project is subject to a 2% net smelter royalty that the Company can buy 1% of such for US$1,000,000.

9. PROPERTY, PLANT, AND EQUIPMENT

	Equipment	Vehicles	Buildings	Total
Cost				
Balance - March 31, 2022	$ 4,200	$ 199,997	$ -	$ 204,197
Additions (Note 4)	-	328,237	931,529	1,259,766
Balance - March 31, 2023	$ 4,200	$ 528,234	$ 931,529	$ 1,463,963
Additions	-	-	-	-
Balance - September 30, 2023	**$ 4,200**	**$ 528,234**	**$ 931,529**	**$ 1,463,963**
Accumulated depreciation				
Balance - March 31, 2022	$ 4,200	$ 103,860		$ 108,060
Depreciation	-	28,841		28,841
Balance - March 31, 2023	$ 4,200	$ 132,701	$ -	$ 136,901
Depreciation		59,330	18,630	77,960
Balance - September 30, 2023	**$ 4,200**	**$ 192,031**	**$ 18,630**	**$ 214,861**
Carrying amounts				
As at March 31, 2023	$ -	$ 395,533	$ 931,529	$ 1,327,062
As at September 30, 2023	**$ -**	**$ 336,203**	**$ 912,899**	**$ 1,249,102**

10. CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period ended September 30, 2023. The Company is not subject to externally imposed capital requirements.

11. RELATED PARTY TRANSACTIONS

Key management consists of the Company's directors and officers. In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides non-cash benefits. The aggregate value of compensation with key management for the period ended September 30, 2023, was $371,811 (September 30, 2022 - $403,852) and comprised of the following:

	Three months ended		Six months ended	
	September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Senior executive fees	$ 104,250	$ 104,250	$ 208,500	$ 208,500
Non-executive directors fees	14,750	22,062	29,500	44,125
Share-based compensation	252,811	70,332	502,854	151,227
	$ 371,811	**$ 196,644**	**$ 740,854**	**$ 403,852**

Other balances due to related parties include the following:

(a) Due to related parties

As of September 30, 2023, $nil (March 31, 2023 - $195,635) was payable to the management of the Company as part of their management fees.

The above transactions are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

12. RECLAMATION AND CLOSURE COST PROVISIONS

On March 28, 2023, the Company acquired Aurea Mining (Note 5) from Argonaut Gold Inc. The Company recognizes liabilities for legal or constructive obligations associated with the retirement of the Ana Paula projects. The net present value of future rehabilitation costs is capitalized to the Ana Paula Project along with a corresponding increase in the rehabilitation provision of $187,898.

Environmental monitoring and basic site maintenance costs are treated as period costs and are expensed in the period incurred.

The total undiscounted cash flow estimated to settle the obligation as at September 30, 2023, was $563,026 (March 31, 2023: $286,513) which was adjusted for inflation at the rate of 4.45% (March 31, 2023: 4.50%) and then discounted at a rate of 9.00% (March 31, 2023: $9.00%). The Company anticipates incurring the reclamation and closure costs after 9 years (March 31, 2023: 10 years).

For the six-month period ended September 30, 2023, accretion expense on the reclamation and closure cost provisions is $8,456 (September 30, 2022 - $nil).

		Aurea Mining
Balance at March 31, 2022	$	-
Initial estimate		187,898
Balance at March 31, 2023		187,898
Change in estimate		179,578
Accretion expense		8,456
Balance at September 30, 2023	**$**	**$375,932**

13. SHARE CAPITAL

a) Authorized:

At September 30, 2023, and 2022, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Share Issuances:

On July 11, 2023, the Company completed a private placement, offering of 18,919,024 units at $0.37 per unit for approximately $7,000,000 in gross proceeds. Out of the gross proceeds of the private placement, $378,380 residual value was attributed to warrants.

Each unit includes one common share and half of a warrant. The warrant allows purchasing one common share at $0.50 for the first six months until January 11, 2024, and then at $0.70 for the remaining 12 months.

The Company paid $221,782 cash broker fees and $30,000 corporate finance fee in connection with the brokered portion of the financing.

The Company issued 599,412 non-transferable compensation options to the agents. The Company recognized $92,823 as share issue cost for the fair value of the compensation options granted to the agents. Each compensation option entitles the holder to purchase one common share at $0.37 for a period of 18 months. The following table summarizes the assumptions used in the Black-Scholes Option Pricing Model to estimate the fair value of stock options.

In connection with the non-brokered portion of the financing, the Company paid $41,400 finder's fees and issued 111,894 non-transferable finder's warrants to the finder. Each finder's warrant entitles the holder to purchase one common share at $0.37 for a period of 18 months. The finders' warrants have a fair value of $17,328 using the Black-Scholes Option Pricing Model. The assumptions used in the Black-Scholes Options Pricing Model to estimate the fair value of warrants can be found in Note 13(d).

The Company incurred an additional $405,078 in cash share issue costs.

13. SHARE CAPITAL (*Continued*)

For the year ended March 31, 2023:

On March 16, 2023, the Company closed a non-brokered private placement, issuing 92,727,272 units at $0.22 per unit for gross proceeds of $20,400,000.

Each unit consists of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant. Each warrant shall entitle the holder thereof to purchase one additional share at an exercise price of $0.30 per share for a period of thirty-six months following the date of issuance.

In connection with the financing, the Company paid $554,700 cash broker fees and issued 2,521,461 non-transferable broker warrants to three qualified finders. Each broker warrant is exercisable into one share at an exercise price of $0.30 per Common for a period of thirty-six months following the date of issue. The broker warrants have a fair value of $398,995 using the Black-Scholes Option Pricing Model. The Company also incurred an additional $76,745 in share issue costs.

On August 2, 2022, the Company closed a non-brokered private placement, issuing 12,020,000 units at $0.25 per unit for gross proceeds of $3,005,000.

Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable for one common share at an exercise price of $0.50 for a period of 6 months following the closing date (the “Transition Date”). On the Transition Date, each outstanding warrant shall automatically (without any need for notice or action) convert into a half-warrant and thereafter the holder will only be entitled to purchase one Common Share upon the exercise of two half-warrants at an aggregate exercise price of $0.75 per Common Share. The half-warrants will expire eighteen months after the Transition Date. The residual value of the proceeds allocated to the warrants is $240,400.

In connection with the financing, the Company paid $14,700 cash broker fees and issued 58,800 broker warrants. Each broker warrant is exercisable into one Share at an exercise price of $0.50 per common share until the Transition Date. On the Transition Date, each outstanding warrant shall automatically (without any need for notice or action) convert into a half-warrant and thereafter the holder will only be entitled to purchase one common share upon the exercise of two Half-Warrants at an aggregate exercise price of $0.75 per common share. The half-warrants will expire eighteen months after the Transition Date. The broker warrants have a fair value of $4,121 using the Black-Scholes Option Pricing Model. The Company also incurred an additional $27,141 in share issue costs.

13. SHARE CAPITAL *(Continued)*

c) Share Purchase Option Compensation Plan:

The Company has established a stock option plan whereby the Company may grant options to directors, officers, employees, and consultants of up to 10% of the common shares outstanding at the time of grant. Exercise prices on options granted under the plan cannot be lower than the market price of one share on the last trading day immediately preceding the day on which the option is granted, less the maximum applicable discount permitted by TSX Venture Exchange, and the term cannot exceed 10 years. The vesting period of each option is determined by the board of directors within regulatory guidelines.

Stock option transactions and the number of stock options for the period ended September 30, 2023, and 2022 is summarized as follows:

Expiry date	Exercise price	March 31, 2023	Granted	Exercised	Expired / Cancelled	September 30, 2023
March 15, 2024	$ 0.75	96,667	-	-	-	96,667
October 29, 2024	$ 0.75	454,667	-	-	-	454,667
September 4, 2025	$ 1.73	1,382,000	-	-	-	1,382,000
January 15, 2026	$ 1.44	125,000	-	-	-	125,000
July 29, 2026	$ 1.00	220,000	-	-	-	220,000
August 11, 2026	$ 1.00	15,000	-	-	-	15,000
December 6, 2026	$ 0.72	1,023,333	-	-	-	1,023,333
March 27, 2028	$ 0.30	8,651,250	-	-	-	8,651,250
January 11, 2025	$ 0.37	-	599,412	-	-	599,412
Options outstanding		11,967,917	599,412	-	-	12,567,329
Options exercisable		5,780,973				6,458,718
Weighted average exercise price		$ 0.55	$ -	$ -	$ -	$ 0.54

Expiry date	Exercise price	March 31, 2022	Granted	Exercised	Expired / Cancelled	March 31, 2023
April 11, 2022	$ 2.10	136,667	-	-	(136,667)	-
March 15, 2024	$ 0.75	96,667	-	-	-	96,667
October 29, 2024	$ 0.75	454,667	-	-	-	454,667
September 4, 2025	$ 1.73	1,382,000	-	-	-	1,382,000
January 15, 2026	$ 1.44	125,000	-	-	-	125,000
July 29, 2026	$ 1.00	220,000	-	-	-	220,000
August 11, 2026	$ 1.00	15,000	-	-	-	15,000
December 6, 2026	$ 0.72	1,250,000	-	-	(226,667)	1,023,333
March 27, 2028	$ 0.30	-	8,651,250	-	-	8,651,250
Options outstanding		3,680,001	8,651,250	-	(363,334)	11,967,917
Options exercisable		2,187,668				5,780,973
Weighted average exercise price		$ 1.20	$ 0.30	$ -	$ 1.24	$ 0.55

13. SHARE CAPITAL *(Continued)*

c) Share Purchase Option Compensation Plan (*Continued)*

As of September 30, 2023, the weighted average contractual remaining life is 4.25 years (March 31, 2023 – 4.37 years). The weighted average exercise price for options exercisable as at September 30, 2023, is $0.74 (March 31, 2023 – $0.78).

During the six months ended September 30, 2023, the Company recognized $861,414 (September 30, 2022 - $340,617) in share-based payments expense for the fair value of stock options granted and vested. The following table summarizes the weighted average assumptions used in the Black-Scholes Option Pricing Model to estimate the fair value of stock options:

	September 30, 2023	**March 31, 2023**
Expected dividend yield	Nil	Nil
Expected stock price volatility	152.58%	148.73%
Fair value of stock price	$0.36	$0.54
Risk-free interest rate	2.82%	2.42%
Fair value	$0.30	$0.44
Forfeiture rate	Nil	Nil
Expected life of options	4.13 years	4.49 years

13. SHARE CAPITAL *(Continued)*

d) Warrants

A continuity of warrants for the period ended September 30, 2023, is as follows:

Expiry date	Exercise price	March 31, 2023	Issued	Exercised	Expired	September 30, 2023
October 18, 2023	$ 1.20	928,732	-	-	-	928,732
October 18, 2023	$ 1.20	58,107	-	-	-	58,107
November 5, 2023	$ 1.20	1,938,303	-	-	-	1,938,303
November 5, 2023	$ 1.20	199,124	-	-	-	199,124
August 2, 2024	$ 0.75	6,010,000	-	-	-	6,010,000
August 2, 2024	$ 0.75	29,400	-	-	-	29,400
March 16, 2026	$ 0.30	2,521,461	-	-	-	2,521,461
March 16, 2026	$ 0.30	46,363,636	-	-	-	46,363,636
January 11, 2024	$ 0.50	-	9,459,512	-	-	9,459,512
January 11, 2025	$ 0.37	-	111,894	-	-	111,894
Outstanding		58,048,763	9,571,406	-	-	67,620,169
Weighted average exercise price		$ 0.36	$ 0.50	$ -	$ -	$ 0.41

Expiry date	Exercise price	March 31, 2022	Issued	Exercised	Expired	March 31, 2023
August 21, 2022	$ 1.50	263,333	-	-	(263,333)	-
May 5, 2022	$ 1.70	2,674,308	-	-	(2,674,308)	-
May 5, 2022	$ 1.05	310,921	-	-	(310,921)	-
October 18, 2023	$ 1.20	928,732	-	-	-	928,732
October 18, 2023	$ 1.20	58,107	-	-	-	58,107
November 5, 2023	$ 1.20	1,938,303	-	-	-	1,938,303
November 5, 2023	$ 1.20	199,124	-	-	-	199,124
August 2, 2024 *	$ 0.50	-	12,020,000	-	(12,020,000)	-
August 2, 2024 *	$ 0.50	-	58,800	-	(58,800)	-
August 2, 2024 *	$ 0.75	-	6,010,000	-	-	6,010,000
August 2, 2024 *	$ 0.75	-	29,400	-	-	29,400
March 16, 2026	$ 0.30	-	2,521,461	-	-	2,521,461
March 16, 2026	$ 0.30	-	46,363,636	-	-	46,363,636
Outstanding		6,372,828	67,003,297	-	(15,327,362)	58,048,763
Weighted average exercise price		$ 1.41	$ 0.34	$ -	$ 0.74	$ 0.36

* On February 2, 2023, 12,020,000 and 58,800 warrants from August 2, 2022, convert to half-warrants. Two half-warrants can buy one Common Share at $0.75 per share. The warrants expired 18 months from issuance date (August 2, 2022).

13. SHARE CAPITAL *(Continued)*

d) Warrants (continued)

The weighted average remaining life of the outstanding warrants as at September 30, 2023, is 1.90 years (March 31, 2023 – 2.67 years).

The fair value of the finder's warrants issued during the period ended September 30, 2023, was $17,328 (September 30, 2022: $nil).

	September 30, 2023	March 31, 2023
Risk-free interest rate	4.46%	3.50%
Expected stock price volatility	95.05%	113.91%
Expected warrant life in years	1.28 years	2.92 years
Fair value	$0.15	$0.30
Expected dividend yield	Nil	Nil
Share price on grant date	$0.35	$0.30

e) Restricted shares units (RSU)

On March 27, 2023, pursuant to the Company's Equity Incentive Compensation Plan, the Company granted 2,218,750 restricted share units (each, an "RSU") to directors, officers, employees, and consultants of the Company. The RSUs will vest in three equal annual installments commencing on the first anniversary of the grant date. The Company can settle each vested RSUs with cash or shares at the Company's discretion at the vested day.

The total grant date fair value of the RSUs was $643,438, which will be realized as the RSUs vest.

For the period ended September 30, 2023, the Company has recognised a fair value of $196,744 (September 30, 2022: $nil) for the RSUs.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the condensed interim consolidated statements of financial position are carried at amortized cost with the exception of marketable securities and short-term investments which are carried at fair value.

The fair value of the Company's marketable securities is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy.

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's marketable securities and short-term investments have been assessed on the fair value hierarchy described above and classified as Level 1.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued**)**

Provision for closure and reclamation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The valuation of these liabilities requires the use of significant estimates (Note 3, Critical accounting estimates). Insofar as the amount of the obligation can be measured with sufficient reliability, the net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period recognized. The net present value of the rehabilitation obligation is calculated using a pre-tax discount rate that reflects the time value of money. Environmental monitoring and basic site maintenance costs are treated as period costs and are expensed in the period incurred.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, infrastructure or technology, discount rates and estimates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as accretion expense.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash, short-term investments, marketable securities, amounts receivable, accounts payable and accrued liabilities, and due to related parties. Marketable securities are marked to fair value at each financial statement reporting date. Cash, amounts receivable, due from related parties, accounts payable and accrued liabilities, and due to related parties approximate their fair value due to their short-term nature.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued**)**

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

i. Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

ii. Currency risk

The Company's main property interests in Alaska, USA and Sonora, Mexico make it subject to foreign currency fluctuations which may adversely affect the Company's consolidated statements of financial position, consolidated statements of loss and comprehensive loss and consolidated statements of cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and the US Dollar and the Mexico pesos. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of approximately $65,067 denominated in US dollars and net monetary assets of $271,399 denominated in Mexican pesos. A 1% change in the absolute rate of exchange in US dollars or Mexican pesos would have an immaterial affect to the net loss.

iii. Price risk

This risk relates to fluctuations in commodity and equity prices. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken. Fluctuations in pricing may not be significant.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada, the United States and Mexico; accordingly, the Company believes it not exposed to significant credit risk.

e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at September 30, 2023, the Company had a cash balance of $1,016,556 (March 31, 2023: $4,129,232) and accounts payable and accrued liabilities of $393,808 (March 31, 2023: $1,286,910) with contractual maturities of less than one year. The Company has sufficient cash to meet its current liabilities.

15. SEGMENTED DISCLOSURE

The Company has one reportable segment being the exploration and evaluation of mineral properties. The company's assets and liabilities are held within Canada, Mexico and the US as follows:

Rounded to 000's	**Canada**	**United States**	**Mexico**	**Total**
September 30, 2023				
Non-current assets				
Long-term prepaid amounts	$ -	$ -	$ 32,000	32,000
Exploration and evaluation assets	-	4,568,000	21,362,000	25,930,000
Equipment	-	57,000	1,192,000	1,249,000
March 31, 2023				
Non-current assets				
Long-term prepaid amounts	$ -	$ -	$ 47,000	47,000
Exploration and evaluation assets	-	4,568,000	21,156,000	25,724,000
Equipment	-	67,000	1,260,000	1,327,000

16. SUBSEQUENT EVENTS

Warrant Incentive Program

On November 14, 2023, the Company announced a warrant exercise incentive program (the "Incentive Program") designed to encourage the early exercise of up to 46,363,630 common share purchase warrants issued on March 16, 2023 (the "Outstanding Warrants").

Pursuant to the Incentive Program, the Company will offer holders of all 46,363,630 Outstanding Warrants the opportunity to exercise each of their Outstanding Warrants between 12:00 a.m. Pacific Standard Time ("PST") on November 17, 2023, and 12:00 p.m. PST on December 8, 2023. In return for the early exercise, each holder will receive one common share in the capital of the Company (each a "Common Share") pursuant to the original warrant terms, plus as an incentive, one-third of one common share purchase warrant (each whole warrant, an "Incentive Warrant"). Each Incentive Warrant will allow the holder to acquire one Common Share at an exercise price of $0.40 for a period of two years following the date of the issuance of the Incentive Warrant. A holder may elect to exercise all, none, or a portion of their Outstanding Warrants.

Each Warrant is currently exercisable to purchase one Common Share at $0.30 per Common Share until March 16, 2026. Any Outstanding Warrants remaining un-exercised after 12:00 p.m. PST on December 8, 2023, will remain outstanding and continue to be exercisable pursuant to their existing terms.