

ASTRA EXPLORATION INC.

Consolidated Financial Statements

For the years ended March 31, 2023 and 2022

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Astra Exploration Inc.

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at March 31, 2023, the Company has not generated any revenues from operations and had an accumulated deficit of \$7,518,438. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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



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

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

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

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

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

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

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

Vancouver, Canada

Chartered Professional Accountants

July 14, 2023

ASTRA EXPLORATION INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except number of shares)

	Note	Years ended March 31,	
		2023	2022
		\$	\$
Operating expenses			
Consulting fees		18,747	3,500
Exploration and evaluation expenditures	6	1,378,838	2,485,469
General and administrative		79,660	26,528
Management fees	8	387,747	256,220
Marketing		267,981	129,064
Professional fees	8	383,607	197,516
Share-based compensation	8	114,193	113,380
Transfer agent and regulatory fees		73,274	84,924
Travel		149,888	97,214
		2,853,935	3,393,815
Other income (expense)			
Foreign exchange gain (loss)		3,131	(21,892)
Listing expense	5(b)	-	(1,061,783)
Loss and comprehensive loss		(2,850,804)	(4,477,490)
Loss attributable to:			
Shareholders of the Company		(2,423,250)	(3,994,496)
Non-controlling interest	9	(427,554)	(482,994)
Loss per share			
Basic and diluted		(0.07)	(0.21)
Weighted average number of common shares outstanding			
Basic and diluted		35,955,319	19,143,722

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

ASTRA EXPLORATION INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended March 31,	
	2023	2022
	\$	\$
Operating activities:		
Loss for the year	(2,850,804)	(4,477,490)
Items not affecting cash:		
Shares issued for the acquisition of mineral properties	-	1,455,209
Share-based compensation	114,193	113,380
Listing expense	-	1,061,783
Changes in non-cash working capital:		
Receivables	(4,801)	(9,111)
Prepaid expenses	15,226	(49,770)
Accounts payable and accrued liabilities	(288,661)	238,725
Cash used in operating activities	(3,014,847)	(1,667,274)
Investing activities:		
Acquisition cost, RTO, net of cash acquired	-	(24,403)
Cash used in investing activities	-	(24,403)
Financing activities:		
Proceeds from issuance of units	3,400,000	-
Proceeds from issuance of common shares	-	2,206,400
Proceeds from option exercise	-	10,000
Unit and share issuance costs	(125,980)	(108,214)
Cash provided by financing activities	3,274,020	2,108,186
Change in cash	259,173	416,509
Cash, beginning of year	906,356	489,847
Cash, end of year	1,165,529	906,356
Supplemental cash flow information:		
Cash interest paid	-	-
Cash income taxes paid	-	-
Non-cash activities:		
Fair value of options exercised	-	13,582
Fair value of issued shares for the acquisition of Momentous Capital Corp.	-	945,000
Fair value of replacement stock options	-	86,850
Fair value of shares issued for the acquisition of NCI	218,281	-
Share issuance costs included in accounts payable	6,457	-

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

ASTRA EXPLORATION INC.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Reserves	Deficit	Non- controlling interest	Total shareholders' equity
	#	\$	\$	\$	\$	\$
Balance, March 31, 2021	8,731,251	601,250	-	(262,905)	-	338,345
Shares issued in private placements	7,354,667	2,206,400	-	-	-	2,206,400
Share issuance costs	-	(108,214)	-	-	-	(108,214)
Shares issued to acquire mineral property interest	5,820,834	1,164,167	-	-	291,042	1,455,209
Shares issued in reverse takeover transaction	2,650,001	795,000	-	-	-	795,000
Options issued in reverse takeover transaction	-	-	86,850	-	-	86,850
Finder's shares issued for reverse takeover transaction	500,000	150,000	-	-	-	150,000
Shares issued from exercise of options	50,000	23,582	(13,582)	-	-	10,000
Share-based compensation	-	-	113,380	-	-	113,380
Net loss and comprehensive loss for the year	-	-	-	(3,994,496)	(482,994)	(4,477,490)
Balance, March 31, 2022	25,106,753	4,832,185	186,648	(4,257,401)	(191,952)	569,480
Units issued in private placements	21,090,910	3,400,000	-	-	-	3,400,000
Unit issuance costs	-	(132,437)	-	-	-	(132,437)
Shares issued to acquire non-controlling interest	1,455,208	218,281	-	(837,787)	619,506	-
Share-based compensation	-	-	114,193	-	-	114,193
Net loss and comprehensive loss for the year	-	-	-	(2,423,250)	(427,554)	(2,850,804)
Balance, March 31, 2023	47,652,871	8,318,029	300,841	(7,518,438)	-	1,100,432

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

ASTRA EXPLORATION INC.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Astra Exploration Inc. (the "Company") was incorporated under the name Momentous Capital Corp. on July 31, 2020 under the Business Corporations Act (British Columbia). The head office, principal address, registered address, and records office of the Company is located at #700-1090 West Georgia Street, Vancouver, BC, V6E 3V7. The Company operates in one business segment, which is mineral property acquisition and exploration. All properties are located Chile.

On June 22, 2022, the Company qualified for trading on the OTCQB Venture Market and the Company's common shares commenced trading under the symbol "ATEPF".

On March 7, 2023, the Company was listed for trading on the Frankfurt Stock Exchange ("FSE") under the symbol "S31".

a) Reverse takeover

Astra Exploration Limited ("Astra") was incorporated under the Business Corporations Act in British Columbia on August 24, 2020.

On July 7, 2021, the Company announced that it entered into an amalgamation agreement (the "Amalgamation Agreement") with Astra. Pursuant to the Amalgamation Agreement, the Company acquired all of the issued and outstanding securities of Astra in exchange for securities of Momentous Capital Corp. (the "Transaction"), carried out by way of a three-cornered amalgamation. As a result of the Transaction, the Company continued with the business of Astra. Astra was arm's length to Momentous Capital Corp.

Effective January 18, 2022, the Transaction closed whereby Momentous Capital Corp. issued 21,906,752 common shares to former shareholders of Astra (Note 5(b)). Concurrent with the closing of the Transaction, Momentous Capital Corp. changed its name to Astra Exploration Inc. The Company's common shares were listed on the TSXV on January 26, 2022 under the symbol "ASTR".

Management determined that the Transaction constituted a reverse acquisition for accounting purposes whereby Astra acquired Momentous Capital Corp. For accounting purposes, Astra is treated as the accounting acquirer (legal subsidiary), and the Company is treated as the accounting acquiree (legal parent). As Astra was deemed to be the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation are included in these consolidated financial statements at their historical carrying values. Momentous Capital Corp.'s results of operations are included from the transaction date, January 18, 2022. The comparative figures are those of Astra prior to the reverse acquisition.

b) Going concern

These consolidated financial statements for the years ended March 31, 2023 and 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at March 31, 2023, the Company has not generated any revenues from operations and has an accumulated deficit of \$7,518,438 (March 31, 2022 - \$4,257,401).

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 and equity interests. These consolidated 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. These factors present material uncertainties which may cast significant doubt as to the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements were approved by the Board of Directors and authorized for issuance on July 14, 2023.

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") effective as of March 31, 2023.

ASTRA EXPLORATION INC.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2023 and 2022
(Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)

b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at their fair value as explained in the accounting policies set out below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except cash flow information.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

A summary of the Company's subsidiaries included in these consolidated financial statements as at March 31, 2023 is as follows:

Name of subsidiary	Abbreviation	Country of incorporation	Percentage ownership	Functional currency	Principal activity
Astra Exploration Limited	AEL	Canada	100%	CAD	Holding company and head office
Astra Exploration Chile SpA	AEC	Chile	100%	CAD	Holding company
Sociedad Contractual Minera Paciencia	SCM	Chile	100%	CAD	Mineral exploration

d) Functional and presentation currency

The Company's presentation currency is the Canadian dollar ("\$" or "CAD"). The functional currency of the Company and its subsidiaries is CAD. References to "US\$" are to US dollars. References to "CLP" are to Chilean pesos.

e) Reclassification of prior amounts

The Company has reclassified certain comparative information on the consolidated statements of loss and comprehensive loss to conform with current period presentation.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currency translation

In preparing the consolidated financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each consolidated statement of financial position date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical exchange rate on the date of the transaction.

Nonmonetary assets and liabilities that are stated at fair value are translated using the historical exchange rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

b) Financial instruments

Classification

Financial assets are classified at initial recognition as either: measured at amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income (loss) ("FVTOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value through profit or loss ("FVTPL") - Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

Fair value through other comprehensive income ("FVTOCI") - Investments in equity instruments at FVTOCI are initially recognized 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 other comprehensive income (loss). There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost, contract assets and debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

c) Mineral property interests

The Company's mineral property interests are comprised of mineral properties owned by the Company and rights to ownership of mineral properties. The Company accounts for its mineral property interests by charging all acquisition and exploration costs to profit or loss as incurred. When the existence of a mineral reserve on a property has been established, future acquisition, exploration and development costs will be capitalized for that property, then amortized using the unit of-production method following commencement of production.

d) Decommissioning and restoration provision

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties. Provisions for decommissioning and restoration are recognized in the period in which the obligation is incurred or acquired and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset. These costs are depreciated on a basis consistent with the depreciation, depletion, and amortization of the underlying assets.

The obligation is accreted over time for the change in its present value, with this accretion charge recognized as a finance expense in profit or loss. The obligation is adjusted for changes in the estimated amount and timing of expected future cash flows and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset, in which case the amount of the excess is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Share capital and units

The Company records proceeds from share issuances net of issue costs and any tax effects. Professional, consulting, regulatory, and other costs directly attributable to equity transactions are recorded as share issuance costs.

Proceeds from the issuance of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market value on the date of the placement and the balance, if any, is allocated to the attached warrants.

f) Share-based payments

The Company has a stock option plan, which grants options to purchase common shares to the Company's directors, officers, employees, and consultants. The Company accounts for the stock options at their fair value and recognizes the cost as compensation expense over the vesting period, with the offset recorded to stock options reserve. The amount recognized as share-based compensation expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

The fair value of options granted to directors and employees is measured using the Black-Scholes option pricing model on the date of issuance. Share-based compensation to non-employees are measured at the fair value of the goods or services received, or at the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured, and are recorded at the date the goods or services are received.

Consideration received on the exercise of stock options is recorded as share capital, and the amount previously recognized in reserves is transferred to share capital. For options that expire unexercised, the initial fair value recorded remains in reserves.

g) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

h) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the exchange, as the aggregate of the fair value of assets transferred, liabilities incurred, and equity instruments issued by the Company in exchange for control of the acquiree. Under the guidance of IFRS 10 *Consolidated financial statements*, control is established by having power over the acquiree, exposure or rights to variable returns from the investor's involvement with the acquiree, and the ability to use its power over the acquiree to affect the amount of the acquirer's returns. The acquiree's identifiable assets, liabilities, and contingent liabilities are recognized at their fair value at the acquisition date.

i) Income taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive income (loss) or directly in equity, in which case it is recognized in other comprehensive income (loss) or in equity, respectively. Mining duties, taxes, royalties, and withholding taxes are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax. This is considered to be the case when they are imposed by a government authority and the amount payable is calculated by reference to taxable income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Current tax expense is tax payable on the taxable income for the year, using tax rates and the expected tax laws enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable or recoverable with regards to previous years.

Deferred tax expense is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax expense is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax expense is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and deferred income tax liabilities are offset only when there is a legally enforceable right to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

j) New accounting standard and interpretations adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for future accounting periods which are not expected to have a material effect on the Company's consolidated financial statements. There were no new standards adopted by the Company during the year ended March 31, 2023 having a material effect on the Company's consolidated financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities 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 and which form the basis of making 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 ongoing 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 revision affects both current and future periods.

Information about critical estimates and judgements in applying accounting policies that have the most significant risk of causing material adjustment to the consolidated financial statements are discussed below:

Accounting estimates

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Valuation of share-based compensation

The Company determines the fair value of share-based compensation granted using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the option. Changes in these inputs and underlying assumption used to develop them can materially affect the fair value estimate.

Accounting judgments

Going concern presentation

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating and property investigation expenditures and meet its liabilities for the ensuing year as they fall due involves judgment based on historical experience and other factors including the expectation of future events that are believed to be reasonable under the circumstances. Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions exist that may cast significant doubt upon the Company's ability to continue as a going concern.

Business combination versus asset acquisition

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. The assessment required management to assess the inputs, processes and outputs of the Company acquired at the time of acquisition. Pursuant to the assessment, the Transaction was considered to be an asset acquisitions and estimate of fair value of the acquired assets and liabilities were used in asset allocation (Note 5(b)).

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgements to determine the primary economic environment of an entity. The Company re-evaluates the functional currency of its entities when there is a change in events and conditions which previously determined the primary economic environment of an entity.

5. TRANSACTIONS

a) Acquisition of Pampa Paciencia

On May 13, 2021, the Company, through its Chilean subsidiary AEC, closed the acquisition ("Acquisition") of 100% of a subsidiary of Arena Minerals Inc., which held 80% of SCM, a company holding the mineral rights for the Pampa Paciencia gold property located in Chile for consideration of the issuance of 5,820,834 common shares, with a fair value of \$1,164,167.

The Company has accounted for the Acquisition as a purchase of assets. The acquisition did not qualify as a business combination under IFRS 3 *Business combinations*, as the significant inputs, processes and outputs, that together constitute a business, did not exist in these projects at the time of acquisition. As there were no assets or liabilities acquired, the purchase price was recognized in profit or loss as exploration and evaluation expenditures.

Pursuant to the Acquisition, AEC entered into a shareholder agreement whereby AEC was appointed as the operator of this property and will fund the operations until a pre-feasibility study has been prepared. After such study has been prepared, AEC will provide 80% of the funds required for operations and the other partner will provide the remaining 20%. Additionally, the 20% partner is entitled to a 3% net smelter royalty on any production from the property. AEC has the right to deduct the lesser of the following from the first net smelter royalty payment when it becomes due:

- US\$6,000,000; and
- 20% of the total operating expenses paid by AEC prior to the preparation of a pre-feasibility study.

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5. TRANSACTIONS (continued)

A summary of the fair value of the purchase price as at the May 13, 2021 acquisition date is as follows:

	\$
Purchase price	
Fair value of 5,820,834 common shares issued	1,164,167
Non-controlling interest	291,042
	1,455,209
Exploration and evaluation expenditures	1,455,209

On November 15, 2022, the Company closed the acquisition of the remaining 20% of SCM for consideration of the issuance of 1,455,208 common shares, with a fair value of \$218,281 (Note 7(a)). As a result of this acquisition, SCM became a wholly-owned subsidiary which holds a 100% interest in the Pampa Paciencia property (Note 6(a)).

b) Reverse-takeover transaction

Upon the closing of the Transaction on January 18, 2022, the following occurred:

- Momentous Capital Corp. issued 21,906,752 common shares to former shareholders of Astra. The value of the shares was determined by the consideration retained by the shareholders of the Company.
- The Company's 250,000 options expiring May 3, 2023, and 115,000 options expiring May 3, 2031 were revalued using the Black-Scholes option pricing model, at a fair value of \$86,850. The options were valued with the following assumptions: an exercise price of \$0.20 per option, a share price of \$0.30, an expected life of 1.29 and 9.29 years after issuance, 100% volatility, risk-free rate of 1.25% and 1.82%, and a dividend rate of nil.

As a result of the Transaction, Astra obtained control of the Company and is considered to have acquired the Company for accounting purposes. The Transaction constitutes a reverse takeover acquisition ("RTO") of the Company by Astra and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2 *Share-based payment* and IFRS 3 *Business combinations*. As the Company did not qualify as a business in accordance with the definition of IFRS 3, the RTO does not constitute a business combination. Rather, it is treated as an issuance of common shares by Astra for the net assets of the Company and its public listing, with Astra as the continuing entity. Accordingly, no goodwill or intangible assets were recorded with respect to the Transaction.

For accounting purposes, Astra is treated as the accounting parent (legal subsidiary) and the Company as the accounting subsidiary (legal parent). The fair value of the consideration paid by Astra, net of transaction costs, less the fair value of net assets of the Company acquired by Astra constitutes the listing expense and has been recorded in the consolidated statement of loss and comprehensive loss. These consolidated financial statements reflect the assets, liabilities, and operations of Astra since its incorporation and the Company from January 18, 2022.

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5. TRANSACTIONS (continued)

A summary of the fair values of the purchase price and the assets acquired as at the January 18, 2022 acquisition date is as follows:

	\$
Purchase price	
21,906,752 common shares issued	795,000
Replacement stock options	86,850
Transaction costs	191,221
Finder's shares issued	150,000
	1,223,071
Fair value of acquired assets:	
Cash	166,818
Accounts payable and accrued liabilities	(5,530)
	161,288
Listing expense	1,061,783

The consideration was measured at the fair value of the shares that Astra would have had to issue to the shareholders of the Company (2,650,001 common shares) to give the shareholders of the Company the same percentage equity interest in the combined entity that results from the RTO had it taken the legal form of Astra acquiring the Company.

6. EXPLORATION AND EVALUATION EXPENDITURES

A summary of the Company's exploration and evaluation expenditures for the years ended March 31, 2023 and 2022 is as follows:

	2023	2022
	\$	\$
Pampa Paciencia Property		
Acquisition costs	-	1,455,209
Camp	-	3,288
General	1,017,070	701,926
Geological consulting	145,835	210,204
Record and title fees	11,983	19,598
Travel	-	12,964
	1,174,888	2,403,189
Don Mario - Cerro Bayo Property		
General	-	1,015
Record and title fees	156,167	38,943
	156,167	39,958
General exploration		
General	-	25,320
Geological consulting	47,783	17,002
	47,783	42,322
	1,378,838	2,485,469

6. EXPLORATION AND EVALUATION EXPENDITURES (continued)

a) Pampa Paciencia Property

On May 13, 2021, the Company, through its Chilean subsidiary, AEC, acquired an 80% interest in SCM, a company holding a 100% interest in certain mineral rights comprising the Pampa Paciencia gold property located in Chile. On November 15, 2022, the Company closed the acquisition of the remaining 20% and now holds 100% of SCM (Note 5(a)).

b) Don Mario Property - Cerro Bayo

On March 9, 2021, the Company, through its Chilean subsidiary, AEC, closed an Asset Transfer Agreement for 100% of the mining claims located in the Cerro Bayo Mining District, Maricunga Belt, Northern Chile for purchase consideration paid of US\$102 and a 3% of net smelter returns from all minerals produced on the property.

7. SHAREHOLDERS' EQUITY

a) Share capital

Authorized

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

Issued

As at March 31, 2023, there were 47,652,871 issued and fully paid common shares outstanding (March 31, 2022 - 25,106,753).

During the year ended March 31, 2023, the Company completed the following transactions:

On February 28, 2023, pursuant to a private placement, the Company issued 9,090,910 units for gross proceeds of \$1,000,000 at a price of \$0.11 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.15 for a period of 24 months from the date of closing. On initial recognition, the warrants had a fair value of \$nil. The Company incurred total unit issuance costs of \$8,039.

On November 15, 2022, the Company closed the acquisition of the remaining 20% of SCM for consideration of the issuance of 1,455,208 common shares, with a fair value of \$218,281 (Note 5(a)).

On June 14, 2022, pursuant to a private placement, the Company issued 12,000,000 units for gross proceeds of \$2,400,000 at a price of \$0.20 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.26 for a period of 24 months from the date of closing. On initial recognition, the warrants had a fair value of \$nil. The Company incurred total share issuance costs of \$124,398.

During the year ended March 31, 2022, the Company completed the following transactions:

On January 27, 2022, the Company issued 50,000 common shares pursuant to the exercise of 50,000 stock options with an exercise price of \$0.20 for gross proceeds of \$10,000.

On January 18, 2022, pursuant to closing the Transaction, Momentous Capital Corp. issued 21,650,001 common shares with a fair value of \$795,000 to former shareholders of Astra. As part of the Transaction, the Company incurred share issuance costs for which it issued 500,000 common shares at \$0.30 per common share.

On November 23, 2021, pursuant to a private placement, the Company issued 1,975,334 common shares for gross proceeds of \$592,600 at a price of \$0.30 per share. The Company incurred total share issuance costs of \$24,112.

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7. SHAREHOLDERS' EQUITY (continued)

On August 4, 2021, pursuant to a private placement, the Company issued 575,333 common shares for gross proceeds of \$172,600 at a price of \$0.30 per share. The Company incurred total share issuance costs of \$9,927.

On June 30, 2021, the Company completed the first tranche of a non-brokered private placement for gross proceeds of \$1,441,200. The Company issued 4,804,000 common shares at \$0.30 per share. The Company incurred total share issuance costs of \$74,175.

On May 13, 2021, the Company acquired 80% of the Pampa Paciencia gold property located in Atacama region of northern Chile from Arena Minerals Inc. by way of the issuance of 5,820,834 common shares with a fair value of \$1,164,167 (Note 5(a)).

b) Escrow shares

The Company entered into two escrow agreements in connection with closing the Transaction on January 18, 2022, with terms as follows:

- Pursuant to the escrow agreement for 1,500,000 escrowed common shares, the shares are subject to a timed release in equal tranches over a period of 24 months with 25% having been released on January 18, 2022. The remaining escrowed shares will be released in equal tranches of 25% every six months thereafter.
- Pursuant to the escrow agreement for 12,265,836 escrowed common shares, the shares are subject to a timed release in equal tranches over a period of 36 months with 10% having been released on January 18, 2022. The remaining escrowed shares will be released in equal tranches of 15% every six months thereafter.

As at March 31, 2023, 7,734,502 common shares were held in escrow (March 31, 2022 - 11,036,000).

c) Stock options

The Company established a stock option plan (the "Plan") for the benefit of full-time and part-time employees, officers, directors, and consultants of the Company and its affiliates. The maximum number of shares available under the Plan is limited to 10% of the issued common shares of the Company and are exercisable within a maximum of ten years. The Board of Directors has the exclusive power over the granting of stock options, the exercise price, the term, and their vesting and cancellation provisions.

A summary of the Company's stock option activity is as follows:

	Number of stock options	Weighted average exercise price
	#	\$
Balance, March 31, 2021	-	-
Granted	1,950,000	0.32
Exercised	(50,000)	0.20
Balance, March 31, 2022	1,900,000	0.33
Granted	150,000	0.25
Balance, March 31, 2023	2,050,000	0.32

A summary of the Company's stock options outstanding and exercisable as at March 31, 2023, is as follows:

	Number of options outstanding	Number of options exercisable	Weighted average exercise price	Weighted average remaining years
Date of expiry	#	#	\$	Years
May 3, 2023 (Note 13)	115,000	115,000	0.20	0.09
February 17, 2027	1,585,000	528,332	0.35	3.89
May 30, 2027	150,000	50,000	0.25	4.17
May 3, 2031	200,000	200,000	0.20	8.10
	2,050,000	893,332	0.29	4.11

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7. SHAREHOLDERS' EQUITY (continued)

A summary of the Company's assumptions used in the Black-Scholes option pricing model for stock options granted during the year ended March 31, 2023 and 2022 is as follows:

	2023	2022
Expected life (years)	5.00	1.29 - 9.29
Stock price on date of grant	\$0.19	\$0.20 - \$0.35
Dividend yield	0%	0%
Volatility rate	100%	100%
Risk-free interest rate	2.63%	1.25% - 1.82%
Fair value	\$0.14	\$0.16 - \$0.27

d) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, March 31, 2022 and 2021	-	-
Issued	21,090,910	0.21
Balance, March 31, 2023	21,090,910	0.21

A summary of the Company's warrants outstanding and exercisable as at March 31, 2023 is as follows:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining years
	#	\$	Years
June 14, 2024	12,000,000	0.26	1.21
February 28, 2025	9,090,910	0.15	1.91
	21,090,910	0.21	1.53

8. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the exchange amount, being the amount established and agreed upon by the related parties.

A summary of the Company's key management remuneration for the years ended March 31, 2023 and 2022 is as follows:

	2023	2022
	\$	\$
Exploration and evaluation expenditures	-	1,624
Management fees	261,747	256,220
Professional fees	-	3,449
Share-based compensation	69,939	81,596
	331,686	342,889

During the year ended March 31, 2023, the Company incurred \$30,000 (2022 - \$nil) of professional fees with a related party for bookkeeping services.

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9. RELATED PARTY TRANSACTIONS (continued)

As at March 31, 2023, \$30,752 (March 31, 2022 - \$34,674) included in accounts payable and accrued liabilities were due to the related parties. The amount due to the related parties has no specific terms of repayment, is unsecured, non-interest-bearing and have no fixed term of repayment.

9. NON-CONTROLLING INTEREST

On May 13, 2021, the Company closed its acquisition of 80% of SCM, a company holding the mineral rights for the Pampa Paciencia property (Note 5(a)). On November 15, 2022, the Company closed its acquisition of the remaining 20% of SCM for consideration of the issuance of 1,455,208 common shares, with a fair value of \$218,281. After this acquisition, the Company holds 100% of SCM, resulting in the 100% interest in the Pampa Paciencia property (Note 6(a)).

A summary of the Company's non-controlling interest activity is as follows:

	\$
Balance, March 31, 2021	-
Acquisition of 80% of SCM	291,042
Loss attributable to non-controlling interest	(482,994)
Balance, March 31, 2022	(191,952)
Acquisition of remaining 20% of SCM	619,506
Loss attributable to non-controlling interest	(427,554)
Balance, March 31, 2023	-

10. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure (share capital) is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, issue debt instruments or return capital to its shareholders. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company is not subject to any externally imposed capital requirements. There were no changes in management's approach to capital management during to the year ended March 31, 2023, compared to the year ended March 31, 2022.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value information

The Company's cash and accounts payable and accrued liabilities are classified as and measured at amortized cost. The fair value approximates their carrying values due to the relatively short term to maturity of these instruments.

b) Management of financial risks

The Company's financial instruments expose the Company to certain financial risks, including, liquidity risk, credit risk, and foreign currency risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At March 31, 2023, the Company had cash of \$1,165,529 (March 31, 2022 - \$906,356) and accounts payable and accrued liabilities of \$125,806 (March 31, 2022 - \$408,010) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at March 31, 2023. The Company assessed its liquidity risk as low as at March 31, 2023.

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11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with financial institutions of high credit worthiness. The Company believes its exposure to credit risk is equal to the carrying value of this balance.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies (US\$ and CLP).

A summary of the Company's financial assets and liabilities that are denominated in US\$ is as follows:

	March 31, 2023	March 31, 2022
	\$	\$
Cash	689,505	127,883
Accounts payable and accrued liabilities	40,280	-

A summary of the Company's financial assets and liabilities that are denominated in CLP is as follows:

	March 31, 2023	March 31, 2022
	\$	\$
Cash	120,973	31,938
Accounts payable and accrued liabilities	47,483	282,248

As at March 31, 2023, the Company had exposure to foreign currency risk, as cash of \$689,505 and \$120,973, as well as accounts payable and accrued liabilities of \$40,280 and \$47,483 were denominated in US\$ and CLP, respectively. A 5% change in the foreign exchange rates would result in an impact of approximately \$36,000 to the Company's net loss.

12. INCOME TAXES

A summary of the Company's reconciliation of income taxes at statutory rates for the years ended March 31, 2023 and 2022, is as follows:

	2023	2022
	\$	\$
Loss before income taxes	(2,850,804)	(4,477,490)
Combined federal and provincial income tax rates	27%	27%
Expected income tax recovery	(770,000)	(1,209,000)
Non-deductible expenditures and non-taxable revenues	98,000	393,000
Change in statutory, foreign tax, foreign exchange rates and other	(71,000)	-
Share issuance costs	(36,000)	-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(121,000)	(48,000)
Change in unrecognized deferred tax assets	900,000	864,000
Income tax expense (recovery)	-	-

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12. INCOME TAXES (continued)

A summary of the Company's significant components of unrecognized deferred tax assets is as follows:

	March 31, 2023	March 31, 2022
	\$	\$
Deferred income tax assets:		
Share issuance costs and financing fees	54,000	35,000
Intangibles assets	39,000	-
Non-capital losses	659,000	280,000
Mineral resource properties	567,000	104,000
Unrecognized deferred tax assets	1,319,000	419,000

A summary of the Company's significant components of unrecognized deductible temporary differences and unused non-capital losses for which no deferred tax asset is recognized is as follows:

	March 31, 2023	Expiry date range	March 31, 2022	Expiry date range
	\$		\$	
Share issuance costs and financing fees	202,000	2044 to 2047	129,000	2043 to 2046
Intangibles assets	144,000	No expiry date	-	-
Non-capital losses	2,439,000	2040 to 2043	1,038,000	2040 to 2042
Mineral resource properties	2,100,000	No expiry date	385,000	No expiry date
Non-capital losses by country:				
Canada	2,091,915		893,000	
Chile	347,085		145,000	

13. SUBSEQUENT EVENT

On May 3, 2023, 115,000 stock options with an exercise price of \$0.20 expired unexercised.