



February 28, 2023 and February 28, 2022

Consolidated Financial Statements

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of:
GREAT ATLANTIC RESOURCES CORP.

Opinion

We have audited the consolidated financial statements of Great Atlantic Resources Corp. ("the Company"), which comprise the consolidated statements of financial position as at February 28, 2023 and February 28, 2022 and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2023 and February 28, 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 audits 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$3,273,819 during the year ended February 28, 2023, and as of that date, had accumulated losses since inception of \$27,135,067. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a key audit matter to be communicated in our report.

Assessment of Impairment Indicators for the Company's Property and Equipment (PP&E)

Key Audit Matter Description

The net book value of PP&E amounted to \$1.26 million as at February 28, 2023. Management evaluates each asset or cash generating unit at each reporting date to determine whether there are any indications of impairment. Management applies significant judgment in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in forecasted gold prices; (iii) changes in projected capital and operating costs; are evaluated by management in determining whether there are any indicators of impairment. If any such indicator exists, an estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. No impairment indicators were identified by management as at February 28, 2023.

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We considered this a key audit matter due to the significance of the PP&E balance and the significant audit effort and subjectivity in applying audit procedures to assess the internal and external factors evaluated by management in its assessment of impairment indicators, which required significant management judgment. This resulted in a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating the audit evidence relating to management's judgement and estimates.

Audit Response

We responded to this matter by performing procedures over management's assessment of indicators of impairment. Our audit work in relation to this included, but was not restricted to, the following:

- Assessed the completeness of internal and external factors that could be considered as indicators of impairment of the Company's PP&E, including consideration of evidence obtained in other areas of the audit.
- Assessed whether significant declines in the market value of the Company's share price have occurred, which may indicate a decline in value of the Company's net assets.
- Assessed the reasonableness of changes in projected capital and operating costs by comparing them to historical data and considered whether these factors were consistent with evidence obtained in other areas of the audit.

Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and will 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 identified above 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.

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

WDM

Chartered Professional Accountants

Vancouver, B.C.

June 27, 2023

Great Atlantic Resources Corp.
Consolidated Statements of Financial Position
As at February 28, 2023 and February 28, 2022
(Expressed in Canadian Dollars)

	Note	2023 \$	2022 \$
ASSETS			
CURRENT			
Cash		480	893,817
Accounts Receivable	4	32,063	-
GST Recoverable		57,845	112,920
Government Exploration Grant Receivable		6,000	18,000
Marketable Securities	6	23,406	120,674
Prepaid Expenses and Deposits	5	22,702	298,590
		<u>142,496</u>	<u>1,444,001</u>
Right-of-Use Lease Assets	7	402,395	76,592
Property and Equipment	8	1,255,709	1,416,853
		<u>1,800,600</u>	<u>2,937,446</u>
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		715,670	112,901
Flow-Through Share Premium Liability	11	-	173,704
Lease Liabilities	7	89,967	62,412
Due to Related Parties	12	25,644	3,283
		<u>831,281</u>	<u>352,300</u>
Lease Liabilities	7	317,541	-
		<u>1,148,822</u>	<u>352,300</u>
SHAREHOLDERS' EQUITY			
Share Capital	10	26,625,407	25,458,415
Share Subscription Received		100,500	-
Share-Based Payment Reserve		1,060,938	1,182,096
Deficit		(27,135,067)	(24,055,365)
		<u>651,778</u>	<u>2,585,146</u>
		<u>1,800,600</u>	<u>2,937,446</u>

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Commitments (Note 13)
Subsequent Events (Note 18)

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

Approved on Behalf of the Board:

“Allan Beaton”

Allan Beaton, Director

“Christopher Anderson”

Christopher Anderson, Director

Great Atlantic Resources Corp.

Consolidated Statements of Changes in Shareholders' Equity

For the Years Ended February 28, 2023 and February 28, 2022

(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital \$	Share Subscription Received \$	Share-Based Payment Reserve \$	Deficit \$	Total Shareholders' Equity (Deficiency) \$
Balance, February 28, 2021		16,533,563	20,835,943	-	967,179	(20,312,281)	1,490,841
Shares Issued for Finders' Fees	10(b)	187,200	93,600	-	-	-	93,600
Shares Issued for Cash	10(b)	11,658,475	5,155,234	-	-	-	5,155,234
Shares Issued on Exercise of Options	10(b)	10,000	7,379	-	(3,279)	-	4,100
Share Issuance Costs		-	(381,020)	-	-	-	(381,020)
Fair Value of Options Expired	10(b)	-	-	-	(16,962)	16,962	-
Fair Value of Warrants Issued	10(d)	-	(72,500)	-	72,500	-	-
Fair Value of Agents' Warrants Issued	10(f)	-	(52,514)	-	52,514	-	-
Fair Value of Agents' Warrants Expired	10(f)	-	-	-	(17,563)	17,563	-
Fair Value of Agents' Warrant Units Issued	10(d)	-	(127,707)	-	127,707	-	-
Net Loss and Comprehensive Loss		-	-	-	-	(3,777,609)	(3,777,609)
Balance, February 28, 2022		28,389,238	25,458,415	-	1,182,096	(24,055,365)	2,585,146
Shares Issued for Cash	10(b)	21,736,428	1,291,500	-	-	-	1,291,500
Share Issuance Costs		-	(51,549)	-	-	-	(51,549)
Share Subscription Received		-	-	100,500	-	-	100,500
Fair Value of Options Expired	10(c)	-	-	-	(68,188)	68,188	-
Fair Value of Warrants Issued	10(d)	-	(43,900)	-	43,900	-	-
Fair Value of Agents' Warrants Issued	10(f)	-	(29,059)	-	29,059	-	-
Fair Value of Agents' Warrants Expired	10(f)	-	-	-	(125,929)	125,929	-
Net Loss and Comprehensive Loss		-	-	-	-	(3,273,819)	(3,273,819)
Balance, February 28, 2023		50,125,666	26,625,407	100,500	1,060,938	(27,135,067)	651,778

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

Great Atlantic Resources Corp.
Consolidated Statements of Comprehensive Loss
For the Years Ended February 28, 2023 and February 28, 2022
(Expressed in Canadian Dollars)

	Note	2023 \$	2022 \$
EXPENSES			
Advertising, Marketing, and Investor Relations		341,995	479,872
Audit and Legal		148,348	156,289
Bank and Interest Charges		564	858
Consulting Fees		5,550	24,000
Depreciation	8	250,040	166,861
Exploration	9	2,089,688	2,853,907
Insurance		11,801	11,359
Interest Expense		18,972	13,983
Management Fees	12,13	243,600	295,600
Office and Administration		310,807	293,408
Regulatory Fees and Transfer Agent		22,021	35,695
Travel		11,286	88,657
Less: Rent and Office Recovery		(78,400)	(78,000)
LOSS BEFORE OTHER ITEMS		(3,376,272)	(4,342,489)
Flow-Through Share Premium Liability Recovery		173,704	577,562
Gain on Sale of Marketable Securities		6,549	-
Government Exploration Grants		70,000	106,500
Fair Value Change of Marketable Securities		(147,800)	(78,982)
Loss on Write-off Accounts Receivable		-	(40,200)
		102,453	564,880
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(3,273,819)	(3,777,609)
BASIC AND DILUTED LOSS PER SHARE		(0.09)	(0.17)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		37,460,152	22,644,602

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

Great Atlantic Resources Corp.

Consolidated Statements of Cash Flows

For the Years Ended February 28, 2023 and February 28, 2022

(Expressed in Canadian Dollars)

	2023	2022
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net Loss for the Year	(3,273,819)	(3,777,609)
Non-Cash Items		
Depreciation	250,040	166,861
Flow-Through Share Premium Liability Recovery	(173,704)	(577,562)
Marketable Securities Received for Exploration and Evaluation Assets	(143,750)	(20,000)
Fair Value Change of Marketable Securities	147,799	78,982
Gain on Sale of Marketable Securities	(6,549)	-
Loss on Write-off Accounts Receivable	-	40,200
	(3,199,983)	(4,089,128)
Change in Non-Cash Working Capital Accounts		
GST Recoverable	55,075	(1,949)
Government Exploration Grant Receivable	12,000	3,000
Other Receivables	(32,063)	40,353
Prepaid Expenses and Deposits	275,888	(286,651)
Accounts Payables and Accrued Liabilities	595,577	(4,257)
Due to/from Related Parties	22,362	1,833
	(2,271,144)	(4,336,799)
INVESTING ACTIVITIES		
Proceeds from Sale of Marketable Securities	99,768	-
Purchase of Equipment	-	(1,509,806)
	99,768	(1,509,806)
FINANCING ACTIVITIES		
Proceeds from Issuance of Shares, Net of Share Issuance Costs	1,239,951	5,619,080
Proceeds from Exercise of Stock Options	-	4,100
Share Subscription Received	100,500	-
Repayment of Lease Liabilities	(62,412)	(76,330)
	1,278,039	5,546,850
DECREASE IN CASH	(893,337)	(299,755)
Cash, Beginning of the Year	893,817	1,193,572
CASH, END OF THE YEAR	480	893,817

Supplementary Cash Flow Information (Note 14)

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

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

For the Years Ended February 28, 2023 and February 28, 2022
(Expressed in Canadian Dollars)

NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Great Atlantic Resources Corp. (“Great Atlantic” or the “Company”) was incorporated in British Columbia on February 24, 1997, as J.P.T. Resources Ltd. and changed its name to Horizon Industries Ltd. on June 7, 1999. The Company changed its name again on February 13, 2009, to Petro Horizon Energy Corp. and on April 30, 2010, changed its name to Greenlight Resources Inc. On June 19, 2012, the Company changed its name to Great Atlantic Resources Corp.

The Company is currently engaged in the acquisition, exploration, and evaluation of its mineral property interests located in Atlantic Canada. The Company’s shares are listed on the TSX Venture Exchange under the symbol GR and the head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for its next fiscal year. Several conditions as set out below cast uncertainties on the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon the financial support from its shareholders and other related parties, its ability to obtain financing for the continuing exploration and development of its resource properties, the existence of economically recoverable reserves, and the attainment of profitable operations or proceeds from disposition of these properties.

The Company has not yet achieved profitable operations and has an accumulated deficit of \$27,135,067 (2022 - \$24,055,365) and a working capital deficit of \$688,785 (2022 working capital - \$ 1,091,701) as at February 28, 2023; accordingly, the Company will need to raise additional funds through future issuance of securities or debt financing. Although the Company has raised funds in the past, there can be no assurance the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations.

The Company is in the process of exploring and developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and future production or proceeds from the disposition thereof.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These consolidated financial statements were approved and authorized for issue by the Board of Directors on June 27, 2023.

b) Basis of Consolidation

These consolidated financial statements include the accounts of its subsidiary (collectively, the “Company”). Intercompany balances and transactions are eliminated in preparing these consolidated financial statements. The net assets and net profit attributable to outside shareholders are presented as amounts attributable to non-controlling interests in the consolidated statements of financial position and consolidated statements of comprehensive loss. The following companies have been consolidated within these consolidated financial statements:

Entity	Country of Incorporation	Ownership	Functional Currency
Great Atlantic Resources Corp.	Canada	Parent Company	Canadian Dollar
Golden Promise Mines Inc.	Canada	100%	Canadian Dollar

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

For the Years Ended February 28, 2023 and February 28, 2022
(Expressed in Canadian Dollars)

c) Marketable Securities

Marketable securities consist of investments in shares, warrants and options of public and private companies and are recorded at fair value, except for those investments in shares that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which is recorded at cost.

The Company classifies its investments in shares at fair value through profit or loss and available-for-sale categories. Investments that are bought and held principally for the purpose of selling them in the near term are classified as fair value through profit or loss and are reported at fair value, with unrealized gains and losses recognized in earnings. The fair value of substantially all investments is determined by quoted market prices, except for those investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

d) Exploration and Evaluation Assets

Expenditures related to the acquisition, exploration, and development of exploration and evaluation assets are expensed and charged to earnings in the period in which they are incurred. Any option payments received by the Company from third parties or tax credits refunded to the Company are charged against exploration expenses in the statement of comprehensive loss.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

e) Right-of-Use Assets

The Company adopted IFRS 16 effective March 1, 2019. IFRS 16 introduces a single, on-balance sheet accounting model for leases. As a result, the Company, as a lessee, has recognized right-of-use assets ('ROU Assets'), representing its rights to use the underlying assets, and lease liabilities, representing its obligation to make lease payments.

At inception of the contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less, and leases of low-value assets. For these leases, the Company recognizes the lease payments as an expense in loss (income) on a straight-line basis over the term of the lease.

The Company recognizes a lease liability and a right-of-use asset at the lease commencement date.

The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease, or if the rate cannot be readily determined, using the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payment, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise the option;
- payments of penalties for terminating the lease, if the Company expects to exercise an option to terminate the lease.

The lease liability is subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made;
- remeasuring the carrying amount to reflect any reassessment or lease modification

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

For the Years Ended February 28, 2023 and February 28, 2022
(Expressed in Canadian Dollars)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The ROU Asset is initially measured at cost, which comprises the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company;
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The ROU Asset is subsequently measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. It is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term using either the straight-line or units-of-production method depending on which method more accurately reflects the expected pattern of consumption of the future economic benefit.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at March 1, 2019. ROU Assets were measured at the amount equal to the lease liability, adjusted by the amount for any prepaid or accrued lease payments of which there were none.

f) Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of equipment, less their estimated residual value, using straight line basis over the following estimated useful lives:

Vehicles	10 years
Mining Equipment	10 years
Computer and Office Equipment	3 years

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

g) Impairment of Non-Current Assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset's or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

Great Atlantic Resources Corp.

Notes to the Consolidated Financial Statements

For the Years Ended February 28, 2023 and February 28, 2022
(Expressed in Canadian Dollars)

h) Provisions

(i) Decommissioning and Restoration Provision

Future obligations to retire an asset, including dismantling, remediation, and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit-adjusted risk-free rate. This decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The provision is accreted to full value over time through periodic charges to profit. This unwinding of the discount is charged to financing expense in the statement of comprehensive loss.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision are only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

As at February 28, 2023 and February 28, 2022, the Company has no material decommissioning and restoration provision.

(ii) Other Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate.

i) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs.

Proceeds from the issue of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants.

Shares issued for other than cash consideration are valued at the quoted price on the TSX-V Exchange based on the date the shares are issued.

j) Flow-Through Shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for income tax purposes for qualified resource expenditures can be renounced and claimed by the investors. The Company allocates the proceeds from the issuance of flow-through shares between the offering of shares and the sale of tax benefits. The total amount allocated to the offering of shares is based on the quoted price of the underlying shares. The remaining amount which is allocated to the sale of tax benefits is recorded as a flow-through share premium liability.

When the flow-through expenditures are renounced to the investors, a deferred tax liability is set up and the initial flow-through share premium liability is reversed, with the difference being recognized in earnings. If the flow-through shares are not issued at a premium, then a liability is not established and on renunciation, the full value of the tax assets renounced is recorded as a deferred tax expense.

k) Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

Great Atlantic Resources Corp.

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l) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

m) Government Grants

Government grants related to exploration activities are recognized in profit or loss as a deduction from the related expenditure when there is reasonable assurance that the grant will be received. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

n) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

o) Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as fair value through profit and loss ("FVTPL"). For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income (loss) ("FVTOCI"). Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Great Atlantic Resources Corp.

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The following table shows the classifications:

<u>Financial assets/liabilities</u>	<u>Classification</u>
Cash	Amortized cost
Marketable securities	FVTPL
Accounts receivable (excluding GST)	Amortized cost
Due from/to related parties	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loan Payable	Amortized cost
Lease liabilities	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Consolidated Statements of Comprehensive Loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the Consolidated Statements of Comprehensive Loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the Consolidated Statements of Comprehensive Loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Great Atlantic Resources Corp.

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NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 future periods, if the revision affects both current and future periods.

Significant areas where management's judgment has been applied include the following:

- Classifying categories of financial assets and financial liabilities in accordance with IAS 39, Financial instruments: recognition and measurement;
- The recoverability of the carrying value of the mineral property interests is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest; and
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods.

Significant areas requiring the use of management estimates and assumptions include the following:

a) Impairment of Non-Current Assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors.

Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

b) Deferred Tax Assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets.

c) Inputs Used for IFRS 16 Leases

The significant judgments, estimates, and assumptions made by management applied in the preparation of these consolidated financial statements, specifically as they relate to IFRS 16 Leases, primarily include evaluating the appropriate discount rate to use to discount the lease liability for each lease, as well as determining the lease term, when the lease contains an extension option, and assessing if the Company is reasonably certain that it would exercise the extension option. Significant judgments, estimates, and assumptions over both factors would affect the present value of the lease liabilities upon adoption of the accounting standard, as well as the associated value of the right-of-use assets.

Great Atlantic Resources Corp.

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d) Flow-Through Units

The significant judgments, estimates, and assumptions made by management applied in the preparation of these consolidated financial statements, specifically as they relate to flow-through units. The fair value method of accounting is used for flow-through unit transactions. Under this method, the cost of flow-through and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest.

NOTE 4 – ACCOUNTS RECEIVABLE

Included in accounts receivable are amounts due from a company for shared use of office space. As at February 28, 2023, \$32,063 (2022 - \$Nil) was receivable from this company.

NOTE 5 – PREPAID EXPENSES and DEPOSITS

The Company paid a deposit to an arm's-length third party company for a marketing program which is drawn down as certain millstones are achieved. The Company has also made prepayments on rent and exploration for various drill programs. For the year ended February 28, 2023, the Company had \$Nil (2022 - \$127,861) marketing deposit and \$22,702 (2022 - \$170,729) in rent and exploration prepayments.

NOTE 6 – MARKETABLE SECURITIES

	2023	2022
	\$	\$
Balance, Beginning of the Year	120,674	179,656
Marketable Securities Received Pursuant to Kagoot Brook & Porcupine Option Agreements (Note 9 (b,g))	143,750	20,000
Marketable Securities Sold (at Cost)	(93,218)	-
Fair Value Change of Marketable Securities	(147,800)	(78,982)
Balance, End of the Year	<u>23,406</u>	<u>120,674</u>

NOTE 7 – RIGHT-OF-USE ASSETS

The Company recognized lease liabilities under the principles of IFRS 16, Leases. These lease liabilities were measured at the present value of the remaining lease payments, discounted using the leases' incremental borrowing rate. The lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2023 was set at 5%.

The recognized Right-of-Use Assets were as follows:

Balance, Beginning of the Year	76,592	148,199
Add: Right-of-Use Assets	414,699	2,299
Less: Depreciation of Right-of-Use Assets	(88,896)	(73,906)
Balance, End of Year	<u>402,395</u>	<u>76,592</u>

Great Atlantic Resources Corp.
Notes to the Consolidated Financial Statements
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	2023	2022
	\$	\$
Lease Liabilities:		
Balance, Beginning of the Year	62,412	136,443
Lease Additions	414,741	-
Lease Payments Adjustment	-	2,299
Lease Payments	(69,645)	(76,330)
Balance, End of Year	407,508	62,412
Current	89,967	62,412
Non-current	317,541	-
	407,508	62,412

For the year ended February 28, 2023 \$15,244 (2022 - \$13,983) was recorded as interest expense on lease liabilities.

NOTE 8 - PROPERTY AND EQUIPMENT

	Computer and Office Equipment \$	Mining Equipment \$	Vehicles \$	Total \$
COST				
Balance, February 28, 2022	43,570	995,903	470,335	1,509,808
Additions	-	-	-	-
Balance, February 28, 2023	43,570	995,903	470,335	1,509,808
ACCUMULATED DEPRECIATION				
Balance, February 28, 2022	4,346	51,086	37,523	92,955
Depreciation	14,523	99,588	47,033	161,144
Balance, February 28, 2023	18,869	150,674	84,556	254,099
NET BOOK VALUE				
Balance, February 28, 2022	39,224	944,817	432,812	1,416,853
Balance, February 28, 2023	24,701	845,229	385,779	1,255,709

Great Atlantic Resources Corp.

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NOTE 9 – EXPLORATION AND EVALUATION ASSETS

Cumulative acquisition and exploration costs incurred by the Company to date on its mineral properties are summarized below.

	Glenelg Property \$	Kagoot Brook \$	Keymet \$	MacDougal Road \$	Mascarene \$	Mount Raymond \$	Porcupine \$
Balance, February 28, 2021	307,721	(61,284)	1,090,539	155,752	211,901	17,892	129,269
Acquisition Costs	30,000	40,000	-	-	-	-	-
Sale Proceeds	-	(20,000)	-	-	-	-	-
Exploration Costs (Recovery)	24,289	1,930	701,469	4,566	401,312	(1,808)	385
Balance, February 28, 2022	362,010	(39,354)	1,792,008	160,318	613,213	16,084	129,654
Acquisition Costs	15,000	-	-	-	-	-	-
Sale Proceeds	-	-	-	-	-	-	(258,750)
Exploration Costs (Recovery)	118,868	33,950	182,804	16,409	362,549	11,105	4,275
Balance, February 28, 2023	495,878	(5,404)	1,974,812	176,727	975,762	27,189	(124,821)

	Golden Promise \$	Pilley's Island \$	South Quarry \$	Mitchell Brook \$	General Exploration \$	Properties Terminated Prior to Feb 28, 2017 \$	Total \$
Balance, February 28, 2021	2,309,469	385,516	608,624	20,615	413,639	2,297,125	7,886,778
Acquisition Costs	40,000	-	-	-	-	-	110,000
Sale Proceeds	-	-	-	-	-	-	(20,000)
Exploration Costs	1,356,761	51,549	56,414	-	167,040	-	2,763,907
Balance, February 28, 2022	3,706,230	437,065	665,038	20,615	580,679	2,297,125	10,740,685
Acquisition Costs	-	-	-	-	-	-	15,000
Sale Proceeds	-	-	-	-	-	-	(258,750)
Exploration Costs	938,435	99,698	124,634	-	440,711	-	2,333,438
Balance, February 28, 2023	4,644,665	536,763	789,672	20,615	1,021,390	2,297,125	12,830,373

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. All properties are located in Canada.

a) Glenelg Vanadium Property, New Brunswick, Canada

During the fiscal year 2019, the Company acquired, through an option agreement and by staking, the Glenelg Vanadium Property, located in southwest New Brunswick. Under the terms of the agreement, the Company may earn in a 100% interest in the property by making certain staged cash payments to the vendor over a five-year period as follows: (i) \$10,000 in cash (paid); (ii) \$15,000 in cash on or before the first anniversary of the approval date (paid); (iii) \$30,000 in cash on or before the second anniversary of the approval date (paid); (iv) \$30,000 in cash on or before the third anniversary of the approval date; (v) \$40,000 on or before the fourth anniversary of the approval date; and (vi) \$50,000 on or before the fifth anniversary of the approval date. In July, August and November 2022, the Company paid three cash payments of \$5,000 each for a total of \$15,000.

In the event the Company exercises the Option and acquires a 100% right, title and interest in and to the property, the vendor will be entitled to receive a 2.0% NSR, payable upon the commencement of commercial production. The Company has the right to purchase one-half of the NSR from the vendor at any time by paying to the vendor \$1,000,000, leaving the vendor with a 1.0% remaining NSR.

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b) Kagoot Brook Cobalt Property, New Brunswick, Canada

During the year ended February 28, 2018, the Company entered into an option agreement whereby the Company was granted an option to acquire 100% interest in the Kagoot Brook Cobalt Property located in North-Central New Brunswick. In consideration, the Company agreed to pay the vendor \$15,000 in cash (paid) and issue 15,000 shares fair valued at \$15,000 (issued) within ten days upon regulatory approval. The Company will also make payments to the vendors totaling \$125,000 cash and issue \$15,000 in shares over the next four years. During the year ended February 28, 2019, the Company made cash payments of \$15,000 and issued 15,000 shares with a fair market value of \$7,500. During the year ended February 29, 2020, the Company made cash payments of \$30,000. In August 2021, the Company made a cash payment of \$40,000 (\$10,000 of the payment was forgiven).

There is a 2% net smelter royalty payable to the property owner with the Company retaining the right to purchase one percent for \$500,000 upon the commencement of commercial production.

In 2018, the Company entered into an agreement with Explorex Resources Inc. (“Explorex”) whereby Explorex will acquire a 75-per-cent interest in the Kagoot Brook cobalt project. In January 2020, the option agreement was assigned to Origen Resources Inc. and further assigned to Recharge Resources Ltd. in August 2021.

The Kagoot Brook property is 100 per cent owned by Great Atlantic and is subject to an underlying agreement with a prospecting syndicate. The agreement for the optionees (Explorex and subsequently assigned to Recharge Resources) to acquire a 75-per-cent interest in the project is subject to the following terms:

- Cash payment of \$25,000 (received) and issuance of 75,000 shares upon signing a definitive agreement. In September 2018, the Company received 75,000 shares with a fair market value of \$21,750. A cash payment of \$15,000 was also received in January 2019.
- Issuing \$50,000 in shares of the Optionee on the 12-month anniversary of the definitive agreement; the number of shares to be issued will be based on the 10-day VWAP (volume-weighted average price) immediately prior to the anniversary date. On July 8, 2019, the Company received 197,904 shares of Explorex with a market value of \$49,476.
- Recharge Resources Ltd (a successor optionee to Origen and Explorex) will incur a total expenditure of \$750,000 (including all underlying payments) over a period of four years; of which \$100,000 will be a firm commitment on or before the first anniversary of the definitive agreement. In August 2021, the Company agreed to amend the due date on the fourth anniversary exploration expenditures of \$650,000 an additional 12 months from May 10, 2022 to May 10, 2023. In consideration of the extension Recharge Resources Ltd will issue 500,000 common shares (received).

Upon earning 75 per cent of the project, the parties will enter into a joint venture. The terms will provide for a pro rata dilution such that should Great Atlantic's interest drop below 5 per cent, it will revert to a 3-per-cent net smelter return. Recharge Resources Ltd will retain the right to buy back two percentage points at \$1 million for each 1 per cent, or portion thereof. Should Great Atlantic seek to sell any portion of the remaining NSR, Recharge Resources Ltd will retain a first right of refusal.

c) Keymet Property, New Brunswick, Canada

During the year ended February 28, 2012, the Company completed an option agreement whereby the Company was granted an option to acquire a 100% interest in the Keymet Property, located northwest of Bathurst, New Brunswick. In consideration of the acquisition, the Company agreed to pay the vendor \$50,000 cash (\$30,000 paid) and to issue 25,000 shares (issued) over four years. The property is subject to a 2% net smelter return (“NSR”) with the Company retaining the right to purchase one half of it for \$500,000. In March 2018, the final payment of \$20,000 was paid, and the 100% acquisition was completed.

d) MacDougall Road Property, New Brunswick, Canada

During the year ended February 28, 2013, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the Antimony Property located in Western New Brunswick. In consideration of the acquisition, the Company agreed to pay the vendor \$30,000 cash (see below) and to issue 15,000 shares (issued) over two years.

In May 2019, the Company issued 60,000 common shares for the settlement of the \$30,000 payable. This completed the 100% acquisition.

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e) Mascarene Property, New Brunswick, Canada

During the year ended February 28, 2018, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the Mascarene property located in New Brunswick. In consideration, the Company agreed to pay the vendor \$15,000 (paid) in cash within ten business days upon signing of the agreement. The Company will also make payments to the vendors totaling \$185,000 cash over the next five years. In February 2019, the Company made cash payments totaling \$25,000. For the fiscal year ended February 29, 2020, the Company made cash payments totaling \$30,000. In May 2020, the Company made payments totaling \$30,000. In February 2021, the Company made a further payment of another \$30,000.

There is a 2% net smelter royalty payable to the property owner with the Company retaining the right to purchase one percent for \$1,000,000 upon the commencement of commercial production.

f) Mount Raymond Property, New Brunswick, Canada

During the year ended February 28, 2018, the Company staked a Mineral Exploration License in New Brunswick, referred to as the Mount Raymond Property.

g) Porcupine Property, New Brunswick, Canada

During the year ended February 28, 2011, the Company executed an option agreement to earn up to a 100% undivided interest in the Porcupine-Upper Miramichi Rare Earth Property located in New Brunswick. In consideration of the acquisition, the Company agreed to pay the vendors \$6,000 upon signing of the agreement (paid), and an additional cash payment of \$6,000 within 8 working days of the date of the agreement (paid). The Company also agreed to undertake to spend total minimum work commitments on the property of \$120,000 over the next five years and to make payments to the vendors of \$110,000 over the next five years (paid). Upon completion of the minimum work commitments and payments above, the Company earned a 100% undivided ownership interest in the property.

During the year ended February 29, 2012, the Company entered into an option agreement with Explorex Resources Inc. (Explorex) whereby Explorex was granted an option to acquire up to an 85% interest in the property. To earn an initial 70% interest, Explorex was required to make total cash payments of \$180,000 (\$25,000 received), issue a total of 850,000 common shares (150,000 common shares received) to the Company, and incur exploration expenditures of \$1,000,000 over three years.

A further 15% can be earned after completion of a bankable feasibility report. This agreement was terminated during the year ended February 28, 2015.

During the year ended February 28, 2017, the Company signed an amended option agreement with the vendors, whereby both parties agreed to extend the fourth anniversary option payment originally due on October 12, 2015 to June 12, 2017. As part of this agreement, the Company agreed to issue an additional 10,000 common shares fair valued at \$10,000 to the vendors.

During the year ended February 28, 2018, the Company entered into an option agreement with Fort St James Nickel Corp. ("FTJ") to sell the Porcupine Property. In March 2022, the agreement was revised to amend payment dates for the second, third and fourth anniversary payments to October 31, 2022. Under the terms of the option agreement, FTJ is required to make the following payments to earn a 100% interest in the property: (i) a payment of \$15,000 cash (received) and 500,000 common shares valued at \$107,500 at the time of grant within five days of the approval date (received); (ii) a cash payment of \$20,000 (received) and \$75,000 (received shares with a fair market value of \$43,359) in common shares on or before the first anniversary of the approval date; (iii) a cash payment of \$20,000 and \$75,000 in common shares on or before October 31, 2022; (iv) a cash payment of \$20,000 and \$75,000 in common shares on or before October 31, 2022; and (v) a cash payment of \$75,000 and \$200,000 in common shares on or before October 31, 2022. FTJ is also required to spend \$1,000,000 in exploration expenditures on the property over a four-year period with a minimum of \$150,000 each year. In June 2022, the Company recorded receipt of 875,000 shares of FTJ with a fair market value of \$143,750. Additionally, in September 2022, the Company received three cash payments totalling \$115,000.

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h) Golden Promise Property, Newfoundland, Canada

During the year ended February 28, 2017, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the Golden Promise Property in Newfoundland and Labrador. The property encompasses 60 stake lode claims located near the Town of Badger.

In consideration, the Company agreed to pay the vendor \$35,000 in cash within three business days upon signing of the agreement (paid) and to issue 83,333 common shares valued at \$50,000 upon regulatory approval (issued). The Company will also make payments to the vendors totalling \$485,000 cash (\$65,000 paid in 2018) and issue \$450,000 in shares (\$50,000 issued in 2018) over the next four years. In July 2018, the Company paid \$125,000 and in August 2018 issued \$50,000 equivalent shares. On July 9, 2019, the Company issued 25,000 shares with a market value of \$85,000 and paid \$145,000 in cash on July 31, 2019. The Company also issued 8,000 shares in July 2019 with a market value of \$4,800 as a finder fee. On March 12, 2020, the Company issued 360,000 shares with a market value of \$108,000 and on July 31, 2020 paid \$150,000 in cash. In addition, the Company is required to spend a minimum of \$500,000 in expenditures on the property by July 05, 2020. Upon completion of the minimum work commitments and payments above, the Company will earn a 100% undivided ownership interest in the property.

There is a 2% to 2.5% net smelter royalty payable to the property owner with the Company retaining the right to purchase one percent for \$1,000,000. The Company will pay the property owner annual royalty advance of \$20,000 commencing on the 7th anniversary and each subsequent year. All royalty payments contributed will be credited towards the royalty due to the property owner.

The Company also agreed to issue 25,000 common shares fair valued at \$15,000 as finders' fee; 17,000 common shares with a fair value of \$10,200 was issued in the year ended February 28, 2017.

i) Pilley's Island Property, Newfoundland, Canada

During the year ended February 28, 2018, the Company entered into an option agreement with Unity Resources Inc. ("Unity") under which the Company may acquire 100% interest of mining claims comprising the Pilley's Mine Project, the Southern Golden Promise Project, and the Point Leamington Project located in central Newfoundland. In consideration, the Company agreed to issue 100,000 shares fair valued at \$100,000 (issued) to the vendor within ten days upon regulatory approval. The Company will also make payments to the vendors totaling \$80,000 cash payments over five years or issue shares in equivalent value. On March 12, 2020, the Company issued 112,000 common shares with a market value of \$33,600.

j) South Quarry Property, Newfoundland, Canada

During the year ended February 28, 2013, the Company entered into an option agreement whereby the Company was granted an option to acquire a 100% interest in the South Quarry tungsten Property. In consideration of the acquisition, the Company agreed to pay the vendor \$135,000 in cash (paid) and issue 85,000 shares (issued) over four years. The Company earned a 100% interest in the property.

k) Mitchell Brook Property, Nova Scotia, Canada

During the year ended February 28, 2017, the Company staked a Mineral Exploration License in eastern Nova Scotia approximately 120 kilometers northeast of Halifax. The License consists of 33 claims, covering an area of approximately 534 hectares, and is referred to as the Mitchell Brook Property.

NOTE 10 – SHARE CAPITAL

a) Authorized Share Capital

Unlimited number of common shares without par value.

Great Atlantic Resources Corp.

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b) Issued and Outstanding Common Shares

As at February 28, 2023, there were 50,125,666 common shares issued and outstanding.

The following share issuances occurred during the year ended February 28, 2023:

In June and July 2022, the Company issued a total of 8,165,000 units at a price of \$0.10 per unit for gross proceeds of \$816,500. Each unit is comprised of one common share and one share purchase warrant exercisable for a period of 5 years at a price of \$0.12 per share. The Company also paid cash commissions of \$25,270 and granted 241,500 agents' warrants with a fair market value of \$16,074.

In November 2022, the Company issued a total of 13,571,428 units at a price of \$0.035 per unit for gross proceeds of \$475,000. Each unit is comprised of one common share and one share purchase warrant exercisable for a period of 5 years at a price of \$0.05 per share. The Company also paid cash commissions of \$18,121 and granted 485,760 agents' warrants with a fair market value of \$12,985.

The following share issuances occurred during the year ended February 28, 2022:

On March 11, 2021, the Company issued 526,316 flow-through units at a price of \$0.57 for gross proceeds of \$300,000. Each flow-through unit consists of one common share that qualifies as a 'flow-through share' as defined in the Income Tax Act and one 1/2 share purchase warrant at an exercise price of \$0.75 for a period of 24 months from issuance. The Company paid a cash commission of \$18,000 and issued 15,789 finders warrants with a fair value of \$2,878. The finders' warrants are exercisable at \$0.75 for a 24-month period.

On March 29, 2021, the Company issued 1,090,909 flow-through units at a price of \$0.55 for gross proceeds of \$600,000. Each flow-through unit consists of one common share that qualifies as a 'flow-through share' as defined in the Income Tax Act and one 1/2 share purchase warrant at an exercise price of \$0.75 for a period of 24 months from issuance. The Company paid a cash commission of \$40,000 and issued 72,727 finders warrants exercisable at \$0.55 for two years. The finders' warrants have a fair value of \$16,482 based on the Black-Scholes option pricing model.

On June 8, 2021, the Company issued 1,400,000 non-flow-through units at a price of \$0.50 for gross proceeds of \$700,000 and 2,000,000 flow-through units at \$0.68 per unit for gross proceeds of \$1,360,000. Each non-flow-through unit consists of one common share and one share purchase warrant exercisable over three years at an exercise price of \$0.75. Each flow-through unit consists of one common share that qualifies as a 'flow-through share' as defined in the Income Tax Act and one non-flow-through share purchase warrant exercisable over three years at an exercise price of \$0.75. The Company issued 187,200 non-flow-through units; each unit comprised of one common share and one share purchase warrant, as a finder fee. The Company also issued 144,000 agents' warrant units exercisable at \$0.50 for three years. The agents' warrant units have a fair value of \$76,969 based on the Black-Scholes option pricing model and consists of one common share and one share purchase warrant exercisable at \$0.75 for three years.

On July 27, 2021, the Company issued 2,900,000 units at a price of \$0.50 for gross proceeds of \$1,450,000. Each unit consists of one common share and one share purchase warrant exercisable over three years at an exercise price of \$0.75. The Company issued 174,000 agents' unit warrants exercisable at \$0.50 for three years. The agents' unit warrants have a fair value of \$49,770 based on the Black-Scholes option pricing model and consists of one common share and one share purchase warrant exercisable at \$0.75 for three years.

On November 24, 2021, the Company issued 3,201,250 flow-through units at a price of \$0.40 for gross proceeds of \$1,280,500. In December 2021, the Company issued another 540,000 units for gross proceeds of \$216,000. Each flow-through unit consists of one common share that qualifies as a 'flow-through share' as defined in the Income Tax Act and one share purchase warrant at an exercise price of \$0.75 for a period of 36 months from issuance. The Company paid a cash commission of \$80,185 and issued 175,000 finders warrants with a fair value of \$29,685 exercisable at \$0.40 for a period of three years. The Company also issued 28,263 finders warrants with a fair value of \$3,469 exercisable at \$0.75 for a period of three years. The Company also issued 7,000 agents' warrant units exercisable at \$0.40 for three years. The agents' warrant units have a fair value of \$968 based on the Black-Scholes option pricing model and consists of one common share and one share purchase warrant exercisable at \$0.75 for three years.

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During the year ended February 28, 2022, the Company issued 10,000 shares for gross proceeds of \$4,100 on exercise of stock options.

c) Stock Options

The Company has a stock option plan under which it is authorized to grant options to directors, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Vesting terms are determined by the board of directors at the time of grant.

As at February 28, 2023, 1,285,000 options, with a weighted average exercise price of \$0.64 per share and a weighted average remaining life of 1.97 years were outstanding.

Expiry Date	Exercise Price	February 28, 2022	Granted	Exercised	Expired/Cancelled	February 28, 2023
May 26, 2022	\$1.50	64,000	-	-	(64,000)	-
*March 22, 2023	\$1.00	150,000	-	-	-	150,000
October 23, 2023	\$0.70	100,000	-	-	-	100,000
September 23, 2024	\$0.41	165,000	-	-	-	165,000
January 13, 2025	\$0.50	30,000	-	-	-	30,000
August 18, 2025	\$0.65	390,000	-	-	-	390,000
October 7, 2025	\$0.60	450,000	-	-	-	450,000
		1,349,000	-	-	(64,000)	1,285,000

*Expired subsequent to the year ended February 28, 2023

As at February 28, 2022, 1,349,000 options, with a weighted average exercise price of \$0.68 per share and a weighted average remaining life of 2.84 years were outstanding.

Expiry Date	Exercise Price	February 28, 2021	Granted	Exercised	Expired/Cancelled	February 28, 2022
June 5, 2021	\$0.50	50,000	-	-	(50,000)	-
May 26, 2022	\$1.50	64,000	-	-	-	64,000
March 22, 2023	\$1.00	150,000	-	-	-	150,000
October 23, 2023	\$0.70	100,000	-	-	-	100,000
September 23, 2024	\$0.41	175,000	-	(10,000)	-	165,000
January 13, 2025	\$0.50	30,000	-	-	-	30,000
August 18, 2025	\$0.65	390,000	-	-	-	390,000
October 7, 2025	\$0.60	450,000	-	-	-	450,000
		1,409,000	-	(10,000)	(50,000)	1,349,000

Great Atlantic Resources Corp.

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d) Share-Based Payments

Stock-based compensation costs have been determined based on the fair value of the stock options and agents' warrants at the grant date using the Black-Scholes option pricing model.

During the year ended February 28, 2023, the Company granted 727,260 (2022 – 291,779) agents' warrants. Stock-based compensation expense using the Black-Scholes option pricing model was \$29,059 (2022 – \$52,514) for agents' warrants granted in the year ended February 28, 2023.

During the year ended February 28, 2022, the Company granted Nil (2022 – 325,000) agents' warrant units. Stock-based compensation expense using the Black-Scholes option pricing model was \$Nil (2022 – \$127,707) for the agents' warrant units granted.

The following assumptions were used for the Black-Scholes valuation of stock options granted:

	2023	2022
Risk-free interest rate	2.9564% - 3.7805%	0.2400% - 1.1705%
Expected life of stock options/agents' warrants	2 - 5 years	2 - 3 years
Annualized volatility	71% - 97%	90% - 106%
Dividend rate	0.00%	0.00%

e) Share Purchase Warrants

As at February 28, 2023, 38,603,491 share purchase warrants, with a weighted average exercise price of \$0.37 per share were outstanding.

Expiry Date	Exercise Price	February 28, 2022	Granted	Exercised	Expired/Cancelled	February 28, 2023
May 23, 2022	\$1.00	200,000	-	-	(200,000)	-
June 9, 2022	\$1.25	435,000	-	-	(435,000)	-
June 14, 2022	\$1.25	232,500	-	-	(232,500)	-
June 26, 2022	\$1.25	332,500	-	-	(332,500)	-
October 16, 2022	\$2.20	344,922	-	-	(344,922)	-
*March 11, 2023	\$0.75	263,158	-	-	-	263,158
*March 29, 2023	\$0.75	545,455	-	-	-	545,455
September 16, 2023	\$0.75	2,396,000	-	-	-	2,396,000
September 21, 2023	\$0.75	2,084,000	-	-	-	2,084,000
February 22, 2024	\$0.75	1,350,000	-	-	-	1,350,000
June 8, 2024	\$0.75	3,587,200	-	-	-	3,587,200
July 27, 2024	\$0.75	2,900,000	-	-	-	2,900,000
November 24, 2024	\$0.75	3,201,250	-	-	-	3,201,250
December 01, 2024	\$0.75	390,000	-	-	-	390,000
December 23, 2024	\$0.75	150,000	-	-	-	150,000
June 28, 2027	\$0.12	-	3,775,000	-	-	3,775,000
July 21, 2027	\$0.12	-	4,390,000	-	-	4,390,000
November 16, 2027	\$0.05	-	13,571,428	-	-	13,571,428
		18,411,985	21,736,428	-	(1,544,923)	38,603,491

*Expired subsequent to the year ended February 28, 2023

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As at February 28, 2022, 18,411,985 share purchase warrants, with a weighted average exercise price of \$0.81 per share were outstanding.

Expiry Date	Exercise Price	February 28, 2021	Granted	Exercised	Expired/Cancelled	February 28, 2022
July 27, 2021	\$0.75	420,000	-	-	(420,000)	-
August 6, 2021	\$0.75	894,000	-	-	(894,000)	-
August 7, 2021	\$0.75	340,000	-	-	(340,000)	-
August 12, 2021	\$0.75	346,000	-	-	(346,000)	-
August 18, 2021	\$0.65	90,000	-	-	(90,000)	-
December 22, 2021	\$1.50	50,000	-	-	(50,000)	-
May 23, 2022	\$1.00	200,000	-	-	-	200,000
June 09, 2022	\$1.25	435,000	-	-	-	435,000
June 14, 2022	\$1.25	232,500	-	-	-	232,500
June 26, 2022	\$1.25	332,500	-	-	-	332,500
October 16, 2022	\$2.20	344,922	-	-	-	344,922
March 11, 2023	\$0.75	-	263,158	-	-	263,158
March 29, 2023	\$0.75	-	545,455	-	-	545,455
September 16, 2023	\$0.75	2,396,000	-	-	-	2,396,000
September 21, 2023	\$0.75	2,084,000	-	-	-	2,084,000
February 22, 2024	\$0.75	1,350,000	-	-	-	1,350,000
June 8, 2024	\$0.75	-	3,587,200	-	-	3,587,200
July 27, 2024	\$0.75	-	2,900,000	-	-	2,900,000
November 24, 2024	\$0.75	-	3,201,250	-	-	3,201,250
December 1, 2024	\$0.75	-	390,000	-	-	390,000
December 23, 2024	\$0.75	-	150,000	-	-	150,000
		9,514,922	11,037,063	-	(2,140,000)	18,411,985

f) Agents' Warrants

As at February 28, 2023, 1,211,999 agents' warrants, with a weighted average exercise price of \$0.28 per share were outstanding.

Expiry Date	Exercise Price	February 28, 2022	Granted	Exercised	Expired/Cancelled	February 28, 2023
May 26, 2022	\$0.42	38,095	-	-	(38,095)	-
June 09, 2022	\$1.25	18,500	-	-	(18,500)	-
June 14, 2022	\$1.25	13,250	-	-	(13,250)	-
June 26, 2022	\$1.25	7,500	-	-	(7,500)	-
October 15, 2022	\$0.51	39,215	-	-	(39,215)	-
October 16, 2022	\$2.20	33,492	-	-	(33,492)	-
November 13, 2022	\$0.51	30,769	-	-	(30,769)	-
*March 11, 2023	\$0.75	15,789	-	-	-	15,789
*March 29, 2023	\$0.55	72,727	-	-	-	72,727
September 16, 2023	\$0.75	103,560	-	-	-	103,560
September 21, 2023	\$0.75	48,000	-	-	-	48,000
February 22, 2024	\$0.75	41,400	-	-	-	41,400
July 21, 2024	\$0.09	-	16,000	-	-	16,000
November 16, 2024	\$0.05	-	64,000	-	-	64,000
November 24, 2024	\$0.40	175,000	-	-	-	175,000
November 24, 2024	\$0.75	25,463	-	-	-	25,463
December 01, 2024	\$0.75	2,800	-	-	-	2,800
June 28, 2027	\$0.10	-	177,500	-	-	177,500
July 21, 2027	\$0.09	-	48,000	-	-	48,000
November 16, 2027	\$0.05	-	421,760	-	-	421,760
		665,560	727,260	-	(180,822)	1,211,999

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*Expired subsequent to the year ended February 28, 2023

As at February 28, 2022, 665,560 agents' warrants, with a weighted average exercise price of \$0.70 per share were outstanding.

Expiry Date	Exercise Price	February 28, 2021	Granted	Exercised	Expired/Cancelled	February 28, 2022
August 12, 2021	\$0.475	24,000	-	-	(24,000)	-
November 4, 2021	\$0.475	33,684	-	-	(33,684)	-
May 26, 2022	\$0.42	38,095	-	-	-	38,095
June 09, 2022	\$1.25	18,500	-	-	-	18,500
June 14, 2022	\$1.25	13,250	-	-	-	13,250
June 26, 2022	\$1.25	7,500	-	-	-	7,500
October 15, 2022	\$0.51	39,215	-	-	-	39,215
October 16, 2022	\$2.20	33,492	-	-	-	33,492
November 13, 2022	\$0.51	30,769	-	-	-	30,769
March 11, 2023	\$0.75	-	15,789	-	-	15,789
March 29, 2023	\$0.55	-	72,727	-	-	72,727
September 16, 2023	\$0.75	103,560	-	-	-	103,560
September 21, 2023	\$0.75	48,000	-	-	-	48,000
February 22, 2024	\$0.75	41,400	-	-	-	41,400
November 24, 2024	\$0.40	-	175,000	-	-	175,000
November 24, 2024	\$0.75	-	25,463	-	-	25,463
December 01, 2024	\$0.75	-	2,800	-	-	2,800
		431,465	291,779	-	(57,684)	665,560

g) Agents' Warrant Units

As at February 28, 2022 and 2023, 325,000 agents' warrant units, with a weighted average exercise price of \$0.50 per share were outstanding.

Expiry Date	Exercise Price	February 28, 2022	Granted	Exercised	Expired/Cancelled	February 28, 2023
June 08, 2024	\$0.50	144,000	-	-	-	144,000
July 27, 2024	\$0.50	174,000	-	-	-	174,000
December 01, 2024	\$0.40	7,000	-	-	-	7,000
		325,000	-	-	-	325,000

NOTE 11 – FLOW-THROUGH SHARE PREMIUM LIABILITY

	2023	2022
	\$	\$
Opening Balance	173,704	-
Flow-Through Share Premium Liability obligation due to issuance of Flow-Through Shares	-	751,266
Settlement pursuant to incurring Qualified Expenditures	(173,704)	(577,562)
	-	173,704

During the year ended February 28, 2023, \$2,303,438 expenditures were spent in relation to the flow-through shares issued during the year ended February 28, 2022.

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NOTE 12 – RELATED PARTY TRANSACTIONS

Key management includes directors (executive and non-executive) and senior management, including Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations. The amounts due to (from) related parties are 10% per annum interest bearing, unsecured, and have no fixed terms of repayment, unless otherwise disclosed.

As at February 28, 2023 and February 28, 2022, the Company has the following amounts due to (from) related parties.

	2023	2022
	\$	\$
Due to companies controlled by Directors and Officers for management services	25,644	3,283
	<u>25,644</u>	<u>3,283</u>

The Company had the following transactions with related parties:

- a) Management fees totalling \$243,600 (2022 – \$295,000) were paid or accrued to directors and officers of the Company during the year ended February 28, 2023. Reimbursements of \$36,443 (2022 - \$104,358) were also paid for various office expenses.
- b) During the year ended February 28, 2023, a director and an officer participated in a private placement offering totalling \$305,000 (2022 – \$60,000).
- c) During the year ended February 28, 2022, a company controlled by a director sold equipment for a total of \$33,000 and the director provided professional services for a total of \$40,000.

NOTE 13 – COMMITMENTS

- a) The Company entered into an agreement with an officer and a director for management services for monthly fees of \$20,000 with a vacation payout and bonus of \$25,000 to be issued annually. The agreement expired August 31, 2022, and automatically renewed for another three years.
- b) The Company entered into an office space lease from August 21, 2012 to December 31, 2017 at \$5,802 per month. The term of the lease was extended for another five years, commencing January 01, 2018 and expired December 31, 2022 at \$6,252 per month. The lease was extended for another five years, commencing January 01, 2023 and expiring December 31, 2027. The lease is \$7,783 per month up to December 1, 2024, \$8,060 per month up to December 1, 2026 and \$8,199 per month until December 31, 2027.
- c) The Company entered into an equipment lease from May 1, 2018 to May 1, 2023 at \$1,376 per quarter.

NOTE 14 – SUPPLEMENTARY CASH FLOW INFORMATION

Significant Non-Cash Financing Activity

	2023	2022
	\$	\$
Shares Issued for Exploration and Evaluation Assets	-	-

The non-cash financing transactions for the year ended February 28, 2023 consisted of the following:

- The Company issued 241,500 finders’ warrants valued at \$16,074 pursuant to the private placement completed in June and July 2022; and
- The Company issued 485,760 finders’ warrants valued at \$12,985 pursuant to the private placement completed in November 2022.

Great Atlantic Resources Corp.

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NOTE 15 – INCOME TAXES

a) Provision for Income Taxes

The income tax expense of the Company is reconciled to the net loss for the year as reported in the consolidated statements of comprehensive loss as follows:

	2023	2022
	\$	\$
Loss before Income Tax	3,273,819	3,777,609
Expected income tax recovery	(884,000)	(1,020,000)
Non-deductible expenditures and non-taxable revenues	238,000	601,000
Change in unrecognized deductible temporary differences	665,000	493,000
Change in opening tax balances	4,000	6,000
Share Issuance Costs	(22,000)	(75,000)
Other	(1,000)	(5,000)
Income Tax Expense	-	-

b) Deferred Tax Assets and Liabilities

As at February 28, 2023 and February 28, 2022, the Company has temporary differences between the carrying value of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company's deferred tax assets not recognized consist of the following amounts:

Capital Assets	69,000	25,000
Exploration and Evaluation Assets	1,351,000	1,063,000
Capital Losses	29,000	-
Non-Capital Losses	3,044,000	2,734,000
Marketable Securities	-	9,000
Share Issuance Costs	101,000	97,000
Net Deferred Tax Assets Not Recognized	4,594,000	3,928,000

As at February 28, 2023, the Company has non-capital losses of approximately \$11,273,000 and share issuance costs of approximately \$373,711 that may be applied against future income for Canadian income tax purposes. The share issuance costs expire through to 2028. The non-capital losses expire as follows:

	\$
2026	395,000
2027	615,000
2028	689,000
2029	465,000
2030	297,000
2031	637,000
2032	781,000
2033 to 2043	7,394,000
	11,273,000

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NOTE 16 – CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages its share capital as capital, which as at February 28, 2023 was \$26,625,407 (2022 – \$25,458,415). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended February 28, 2023.

NOTE 17 – FINANCIAL INSTRUMENTS

The fair value of the Company's loan payable amounts, due from/to related parties, and accounts payable and accrued liabilities, approximate their carrying value, which is the amount recorded on the consolidated statements of financial position. The Company's other financial instruments, cash and marketable securities under the fair value hierarchy are recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is not significant.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2023, the Company has a working capital deficit of \$688,785. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company will be required to fund these liabilities through the issuance of capital stock and loans from related parties over the coming year.

c) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Loans payable are non-interest bearing. Based on forecasted interest rate movements and due to the short-term nature of these financial instruments, fluctuations in market rates are not expected to have a significant impact on estimated fair values.

d) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

NOTE 18 – SUBSEQUENT EVENTS

Subsequent to the year ended February 28, 2023, various options and warrants expired. On March 22, 2023, 150,000 stock options expired (Note 10(c)). On March 11th and March 29th, 2023, 808,613 share purchase warrants and 88,516 agents' warrants also expired (Note 10(e)(f)).