Gelum Resources Ltd.
(An Exploration Stage Company)

Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

For the nine months ended
January 31, 2023

Corporate Head Office
2710 – 200 Granville Street
Vancouver, BC
V6C 1S4

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Gelum Resources Ltd.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Gelum Resources Ltd.
Interim Statements of Financial Position
As at January 31, 2023 and April 30, 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	January 31, 2023	April 30, 2022
ASSETS		
Current		
Cash	$ 29,299	$ 677,379
Receivables (Note 4)	47,505	42,144
Prepaids	30,204	13,843
	107,008	**733,366**
Non-current		
Deposits (Note 5)	100,000	-
Prepaid exploration expenditures (Note 5)	11,232	15,232
Exploration and evaluation assets (Note 5)	2,339,003	1,217,657
	2,450,235	**1,232,889**
Total Assets	**$ 2,557,243**	**$ 1,966,255**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 174,149	$ 76,954
Due to related parties (Note 9)	24,620	11,715
Flow-through premium liability (Note 7)	-	124,612
	198,769	**213,281**
Shareholders' Equity		
Common shares (Note 7)	11,253,050	10,358,878
Shares to be issued (Note 7)	29,200	29,200
Reserves (Notes 7 and 9)	6,030,609	5,960,664
Deficit	(14,954,385)	(14,595,768)
	2,358,474	**1,752,974**
Total Liabilities and Shareholder’s Equity	**$ 2,557,243**	**$ 1,966,255**

Nature of operations and going concern (Note 1)
Subsequent events (Note 14)

Approved on behalf of the Board of Directors on March 13, 2023:

(Signed) *“Robert Kopple”*
Robert Kopple, Director

(Signed) *“Hendrik Van Alphen”*
Hendrik Van Alphen, Director

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

Gelum Resources Ltd.

Interim Statements of Loss and Comprehensive Loss
For the three and nine months ended January 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three Months January 31, 2023	Three Months January 31, 2022	Nine Months January 31, 2023	Nine Months January 31, 2022
Operating expenses				
Accretion (Notes 6 and 9)	$ -	$ 5,974	$ -	$ 22,002
Consulting fees (Note 9)	16,500	45,850	105,100	115,270
Investor relations	36,973	16,500	84,242	20,825
Office and administration	9,027	80,888	46,523	94,888
Professional fees (Note 9)	25,988	21,529	123,061	79,364
Property investigation	-	-	-	6,344
Rent (Note 9)	14,088	10,523	42,262	30,087
Share-based payments (Notes 7 and 9)	31,886	245,307	65,345	245,307
Transfer agent and regulatory fees	3,050	5,125	16,692	38,347
Loss from operations	(137,512)	(431,696)	(483,229)	(652,434)
Interest expense (Note 6)	-	(3,156)	-	(9,490)
Gain on settlement of FT liability (Note 7)	-	-	124,612	-
Loss and comprehensive loss for the year	**$ (137,512)**	**$ (434,852)**	**$ (358,617)**	**$ (661,924)**
Basic and diluted loss per common share	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.03)
Weighted average number of common shares outstanding	40,334,316	29,742,954	38,409,881	24,242,265

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

Gelum Resources Ltd.
Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of Shares	Capital Stock	Obligation to issue shares	Warrant and Share-based Payment Reserves	Equity portion of convertible Notes	Deficit	Total Shareholders' Equity
Balance, April 30, 2021	**10,277,054**	**$ 7,800,194**	**$ 34,200**	**$ 5,607,766**	**$ 75,459**	**$ (13,830,661)**	**$ (313,042)**
Shares issued – convertible note	5,380,274	269,014	-	80,507	(75,459)	-	274,062
Shares issued – exploration and evaluation assets	4,200,000	420,000	-	-	-	-	420,000
Shares issued – private placements	11,220,000	1,372,500	(5,000)	-	-	-	1,367,500
Shares issued – private placements (Flow Through)	1,485,714	520,000	-	-	-	-	520,000
Flow-through premium	-	(148,571)	-	-	-	-	(148,571)
Shares issue costs – cash	-	(94,675)	-	-	-	-	(94,675)
Shares issue costs – finders' warrants	-	(27,084)	-	27,084	-	-	-
Share-based compensation – Options	-	-	-	245,307	-	-	245,307
Loss for the period	-	-	-	(-)	-	(661,924)	(661,924)
Balance, January 31, 2023	**32,563,042**	**10,111,378**	**29,200**	**5,960,664**	**-**	**(14,492,585)**	**1,608,657**
Shares issued – exploration and evaluation assets	775,000	197,500	-	-	-	-	197,500
Warrants exercised	500,000	50,000	-	-	-	-	50,000
Loss for the period	-	-	-	-	-	(103,183)	(103,183)
Balance, April 30, 2022	**33,838,042**	**10,358,878**	**29,200**	**5,960,664**	**-**	**(14,595,768)**	**1,752,974**
Shares issued – exploration and evaluation assets	795,000	182,475	-	-	-	-	182,475
Shares issued – private placements	2,001,000	400,200	-	-	-	-	400,200
Shares issue costs – cash	-	(6,720)	-	-	-	-	(6,720)
Shares issue costs – finders' warrants	-	(4,600)	-	4,600	-	-	-
Warrants exercised	5,380,274	322,817	-	-	-	-	322,817
Share-based compensation – Options	-	-	-	65,345	-	-	65,345
Loss for the period	-	-	-	-	-	(358,617)	(358,617)
Balance, January 31, 2023	**42,014,316**	**$ 11,253,050**	**$ 29,200**	**$ 6,030,609**	**$ -**	**$ (14,954,385)**	**$ 2,358,474**

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

Gelum Resources Ltd.
Interim Statements of Cash Flows
For the nine months ended January 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	January 31, 2023	January 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (358,617)	$ (661,924)
Item not affecting cash:		
Accretion	-	22,002
Accrued interest on loan payable	-	5,435
Accrued interest on convertible note	-	4,055
Gain on settlement of FT liability	(124,612)	-
Share-based payments	65,345	245,307
	(417,884)	(385,125)
Changes in non-cash working capital items:		
Receivables	(5,361)	(34,098)
Prepaids	(16,361)	-
Accounts payable and accrued liabilities	97,195	(62,285)
Due to related parties	12,905	9,023
Net cash used in operating activities	(329,506)	(472,485)
CASH FLOWS FROM INVESTING ACTIVITY		
Exploration and evaluation assets	(938,871)	(300,976)
Exploration deposits	(100,000)	-
Prepaid exploration expenditures	4,000	-
Net cash used in investing activity	(1,034,871)	(300,976)
CASH FLOWS FROM FINANCING ACTIVITITES		
Repayment of loan payable	-	(53,156)
Proceeds from share issuances	723,017	1,887,500
Share issue costs	(6,720)	(94,675)
Net cash provided by financing activities	716,297	1,739,669
Change in cash for the period	(648,080)	966,208
Cash, beginning of year	677,379	4,799
Cash, end of period	$ 29,299	$ 971,007
Cash paid for interest	$ -	$ -
Cash paid for tax	$ -	$ -

Significant non-cash financing and investing transactions during the period ended January 31, 2023, included:

- Issued 120,000 common shares with a fair value of $27,600 pursuant to the Agreement with Bridge River Indian Band (Notes 6 and 9).
- Issued 300,000 common shares with a fair value of $70,500 pursuant to the Option Agreement on the Eldorado Project (Notes 6 and 9).
- Issued 375,000 common shares with a fair value of $84,375 pursuant to the Option Agreement on the ML Project (Notes 6 and 9).

Significant non-cash financing and investing transactions during the year ended April 30, 2022, included:

- Issued 600,000 common shares with a fair value of $120,000 pursuant to the Option Agreement on the Eldorado Project (Notes 6 and 9).
- Issued 4,000,000 common shares with a fair value of $400,000 pursuant to the Option Agreement on the Eldorado Project – Roxey claims (Notes 6 and 9).
- Issued 375,000 common shares with a fair value of $97,500 pursuant to the Option Agreement on the ML Project (Notes 6 and 9).

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Gelum Resources Ltd. (formerly Gelum Capital Ltd.) (the "Company") was incorporated under the laws of the province of British Columbia on June 8, 1987. The principal address and registered and records office is located at Suite, 400 – 725 Granville Street, Vancouver, BC, V7Y 1G5. The Company trades under the symbol "GMR" on the Canadian Securities Exchange ("CSE"). Effective September 24, 2021, the Company changed it's name to Gelum Resources Ltd.
The Company's principal business activity is the acquisition, exploration and evaluation of mineral properties. The Company will be exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral properties are based on costs incurred to date, and do not necessarily represent present or future values.

The Company's interim financial statements for the period ended January 31, 2023, have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company has a comprehensive loss of $358,617 for the period ended January 31, 2023 (October 31, 2021 - $227,072) and has a working capital deficit of $91,761 at January 31, 2023 (April 30, 2022 surplus – $520,085).

The Company had cash of $29,299 as at January 31, 2023 (April 30, 2022 - $677,379). Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting.

These financial statements have been prepared on the basis of IFRS standards that are effective as of January 31, 2023. These consolidated financial statements were approved for issuance by the Company's Board of Directors on March 13, 2023.

2. BASIS OF PRESENTATION

b) Basis of presentation

These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on these financial statements are presented in Canadian dollars which is the functional currency of the Company.

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Estimates

(i) The determination of the fair value of stock options or compensatory warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

(ii) The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and apply those findings to the Company's transactions.

(iii) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and carrying value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

(iv) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices or most recent financing price.

(v) Recorded costs of flow-through share premium liabilities reflect the premium received by the Company on the issue of flow-through shares. The premium is subject to measurement uncertainly and requires the Company to assess the value of non-flow through shares. This determination is subjective and does not necessarily provide a reliable single measure of the fair value of the premium liability.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company's critical judgments in applying accounting policies include judgments regarding the going concern of the Company, which have been discussed in Note 1.

b) Foreign currencies

The functional currency of the Company is measured using the currency of the primary economic environment in which that entity operates. The Company determined that its functional currency is the Canadian dollar.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

c) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options, as determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions, is expensed or capitalized, as appropriate. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

d) Income taxes

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Amortized cost

Financial assets that meet the following conditions are measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus principal repayments plus the cumulative amortization, using the effective interest method applied to the difference between the initial amount and the maturity amount, adjusted for any allowance due to losses or gains. Interest income is recognized using the effective interest method.

The Company's financial assets at amortized cost include its cash and receivables.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that meet the following conditions are measured at FVTOCI.

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any instruments classified as financial assets at FVTOCI.

FVTPL

All other financial assets are measured at FVTPL.

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

The Company does not have any financial assets measured at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Financial instruments (Continued)

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized as proceeds received net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized, by the Company, in profit or loss on the purchase, sale, or the cancellation of its own equity instruments.

Non-derivative financial liabilities are recognized initially at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method. The Company's accounts payable and accrued liabilities and due to related parties are classified in this category.

Derecognition

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full to a third party under a 'pass-through' arrangement;
- And either (a) the Company has transferred substantially all risks and rewards of the asset, or (b) the Company retains legal title but has contractually or otherwise transferred the associated economic risks and rewards.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

f) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. See Note 9 for further disclosures.

g) Loss per share

The Company computes the dilutive effect of options, warrants and similar instruments by recognizing the dilutive effect on loss per share on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the years presented, this calculation proved to be anti-dilutive. Basic loss per share was calculated using the weighted-average number of shares outstanding during the year.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Convertible note

The Company classified the convertible note into debt and equity components based on the residual method. The liability component was calculated as the present value of the principal and interest, discounted at a rate approximating the interest rate that was estimated would have been applicable to non-convertible debenture at the time the debenture was issued. This portion of the convertible debenture is accreted over its term to the full face value using the effective interest rate method. The equity element of the convertible debenture comprises the value of the conversion option, being the difference between the face value of the convertible debt and the liability component. Upon maturity, the equity component is reclassified to reserves.

i) Exploration and evaluation assets

The acquisition costs of exploration and evaluation assets and any subsequent exploration and evaluation costs are capitalized until the properties to which they relate are placed into production, sold, allowed to lapse or abandoned. Exploration and evaluation costs incurred prior to obtaining ownership, or the right to explore a property, are expensed as incurred as property examination costs. Properties that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units ("CGU") for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair market value of any shares issued for exploration and evaluation assets being acquired or optioned pursuant to the terms of relevant agreements.

Proceeds received from a partial sale or option of a exploration and evaluation assets are credited against the carrying value of the property. When the proceeds exceed the carrying costs the excess is recorded in profit or loss in the period the excess is received. When all the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the period the transaction takes place. No initial value is assigned to any retained royalty interest. The royalty interest is subsequently assessed for value by reference to developments on the underlying mineral property.

Management reviews its exploration and evaluation assets at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value taking into consideration current year exploration results, or likely gains from the disposition or option of the property. If a property is abandoned, or inactive for a prolonged period, or considered to have no future economic potential, the acquisition and deferred exploration and evaluation costs are written-off to profit or loss.

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to property and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. Should a project be put into production, the costs of acquisition, exploration and evaluation will be amortized over the life of the project based on estimated economic reserves. If the carrying value of a project exceeds its estimated net realizable value or value in use, an impairment provision is recorded.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of assets

(i) Financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

(ii) Non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company's mineral property interest impairment policy is more specifically discussed in the note above.

k) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The Company has no material restoration, rehabilitation and environmental provisions for the periods presented.

(Expressed in Canadian Dollars)

4. RECEIVABLES

Receivables consist of goods and services taxes ("GST") due from the Government of Canada. The Company anticipates full recovery of its current receivables within one period. A summary of the Company's receivables is as follows:

	January 31, 2023	April 30, 2022
GST receivable	**$ 47,505**	**$ 42,144**

5. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets 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 exploration and evaluation assets. The Company has investigated title to all its exploration and evaluation assets and, to the best of its knowledge, title to all its properties are in good standing.

	Eldorado Project	ML Project	Total
Balance April 30, 2021	**$ 70,000**	**$ -**	**$ 70,000**
Acquisition and assessments			
Additions - Cash	125,000	25,000	150,000
Additions - Shares	520,000	97,500	617,500
Total Acquisition and assessments	**645,000**	**122,500**	**767,500**
Exploration and evaluation			
Assays	28,573	3,911	32,484
Geological & consulting	98,552		98,552
Geophysical	218,976		218,976
Supplies	365	111	476
Travel	29,669		29,669
Total Exploration and evaluation	**376,135**	**4,022**	**380,157**
Balance April 30, 2022	**$ 1,091,135**	**$ 126,522**	**$ 1,217,657**
Acquisition and assessments			
Additions - Cash	50,000	50,000	100,000
Additions - Shares	98,100	84,375	182,475
Total Acquisition and assessments	**148,100**	**134,375**	**282,475**
Exploration and evaluation			
Accommodations	4,000	-	4,000
Assays	1,620	-	1,620
Drilling	282,454	-	282,454
Geological & consulting	179,268	-	179,268
Geophysical	279,538	-	279,538
Storage	6,913	-	6,913
Supplies	81,965	-	81,965
Travel	3,113	-	3,113
Total Exploration and evaluation	**838,871**	**-**	**838,871**
Balance January 31, 2023	**$ 2,078,106**	**$ 260,897**	**$ 2,339,003**

5. EXPLORATION AND EVALUATION ASSETS (Continued)

Eldorado project

The Eldorado Gold Property (the "Property") is located within the Bralorne-Bridge River Gold District in south-central British Columbia. On March 24, 2021 (the "Effective Date") the Company entered into an option agreement to acquire 50% ownership interest in and to the Property and form a joint venture with the optionor in respect of the Property, with the ability of the Company to acquire an additional 30% interest in the Property.

The Company can earn the 50% options by making the following cash payments and share issuances:

a) $50,000 and 200,000 common shares within five days of the Effective Date (completed);
b) $50,000 and 200,000 common shares within six months of the Effective Date (paid and common shares issued at a fair value of $20,000 (Note 7));
c) $75,000 and 400,000 common shares on the first anniversary of the Effective Date (paid and common shares issued with a fair value of $100,000 (Note 7));
d) $125,000 and 800,000 common shares on the second anniversary of the Effective Date; and
e) $300,000 and 1,200,000 common shares on the third anniversary of the Effective Date.

The Company was required to perform exploration activities on the Property and incur the following minimum qualified expenditures per year:

a) $500,000 minimum qualified expenditures by the first anniversary of the Effective Date;
b) $750,000 minimum qualified expenditures by the second anniversary of the Effective Date; and
c) $1,000,000 minimum qualified expenditures by the third anniversary of the Effective Date.

On October 18, 2021, the Company and the optionor amended the required exploration activities on the Property and the Company shall incur the following minimum qualified expenditures per year:

d) $300,000 minimum qualified expenditures by the first anniversary of the Effective Date (completed);
e) $950,000 minimum qualified expenditures by the second anniversary of the Effective Date; and
f) $1,000,000 minimum qualified expenditures by the third anniversary of the Effective Date.

The option to earn an additional 30% will require the following cash payments, share issuances and minimum qualified expenditures as follows:

a) $400,000 cash payment, 1,400,000 shares and further $1,000,000 in qualified expenditures by the fourth anniversary of the Effective Date; and
b) $400,000 cash payment, 1,000,000 shares and further $1,000,000 in qualified expenditures by the fifth anniversary of the Effective Date.

Upon the optionor reducing its interest in the Property to below 15%, the optionor will be converted to a 4.0% net smelter returns royalty ("NSR"). The Company will retain the right to buy back up to 3.0% NSR by payment of $1,000,000 per each 1.0%.

Roxey Claims

On July 29, 2021, the Company entered into a purchase agreement to acquire the Roxey claims. The claims are contiguous to the Eldorado Gold Property within the Bralorne-Bridge River Gold District in south-central British Columbia. In order to acquire a 100% right, title and interest in and to the mineral claims, the Company issued 4,000,000 common shares (issued at a fair value of $400,000) (Note 7).

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (Continued)

Robson Claims

On May 24, 2022, the Company entered into an agreement under which the Company may earn a 100% interest in the Robson claim, which is within the Eldorado gold property currently under option. The Eldorado gold property is located within the Bralorne-Bridge River gold district in south-central British Columbia.

In consideration of the granting of the option and to maintain the option, the Company shall during the option period issue to the optionors an aggregate of $1,000,000 cash and issue 3,000,000 shares over the life of the option ($50,000 paid and 300,000 common shares issued with a fair value of $70,500 (Note 7)).

Date	Terms	Cash	Shares	Details
Effective Date	Mandatory	$ 50,000	300,000	Cash paid, Shares issued with a fair value of $70,500
Effective Date	Optional	50,000	300,000	
Effective Date	Optional	150,000	600,000	
Effective Date	Optional	250,000	600,000	
Effective Date	Optional	500,000	1,200,000	
		$ 1,000,000	**3,000,000**	

The Company also agrees to carry out work on the property and file such work as assessment as follows:

- (committed) $50,000 of work on or before May 31, 2023;
- (optional, but mandatory in order for the optionee to continue its right to exercise the option) $50,000 of work on or before May 31, 2024;
- (optional, but mandatory in order for the optionee to continue its right to exercise the option) $50,000 of work on or before May 31, 2025;
- (optional, but mandatory in order for the optionee to continue its right to exercise the option) $50,000 of work on or before May 31, 2026.

On completion of the option obligations in full the Company will issue a NSR (net smelter return) royalty on the property in favour of the optionor. The NSR royalty will be for 3 per cent and will have a buydown right whereby the Company can reduce the NSR to 2 per cent by payment of $1,333,000.

On April 8, 2022, the Company entered into an agreement (the "Agreement") with Bridge River Indian Band ("Xwisten") as compensation for impacts of exploration on Xwisten indigenous title and rights and traditional territory and the provision of assistance to be provided by Xwisten. The Company shall provide to Xwisten the following as compensation for impacts from the exploration activities:

- Issued 120,000 common shares on or prior to the fifth business day after the date of signing of this Agreement (issued with a fair value of $27,600 (Note 7));
- Issue and annual payment of $25,000 commencing on the first anniversary of the Agreement date; and
- Commencing on the fourth anniversary of the Agreement date, and on each subsequent anniversary thereafter, the annual payments of $25,000 shall be subject to the Company having spent not less than $100,000 in exploration expenditures.

5. EXPLORATION AND EVALUATION ASSETS (Continued)

ML Copper-Gold Property

On January 31, 2022 (the "Option Date"), the Company entered into an Option Agreement (the "Option") under which the Company may earn a 100% interest in land position located in south-central British Columbia, Cariboo Mining District. In consideration of the granting of the Option and to maintain the Option, the Company shall during the Option period issue to the optionors an aggregate of $450,000 in common shares and make cash payments to the optionors in the amount of $375,000 as follows:

a) $25,000 and $112,500 worth of common shares within five days of the Option Date ($25,000 paid in cash and common shares issued at a fair value of $0.26 representing 375,000 common shares);
b) $50,000 and $112,500 worth of common shares within twelve months of the Option Date ($50,000 paid in cash and common shares issued on at a fair value of $0.225 representing 375,000 common shares);
c) $100,000 and $112,500 worth of common shares within twenty-four months of the Option Date; and
d) $200,000 and $112,500 worth of common shares within thirty-six months of the Option Date.

Where the number of common shares issuable shall be determined by dividing the dollar amount by the market price at the date of issuance. The vendors retain a 2.5% NSR royalty (buyable down to 2%) by payment of $1,000,000.

6. CONVERTIBLE NOTE

On October 14, 2017, the Company issued a convertible note with a principal face value of $200,000 to two directors of the Company. The convertible note bears interest at the rate of 10% per annum, payable annually and has a maturity date of five years from the date of issuance. When the Company consolidated its share capital on a 20:1 basis effective July 30, 2018 the conversion price of the notes became $1.00 and the exercise price of any warrants issuable on conversion of the notes became $1.20.

On August 31, 2019, the Company amended the terms of the convertible note such that the principal amount of the notes was convertible into units of the Company at $0.05 per unit, with each unit comprised of one common share and one share purchase warrant exercisable into a further share at $0.06 per common share (for one year from the date of issuance of the warrant, subject to the latest exercise date being the maturity date).

On July 13, 2021, the Company completed the conversion of convertible notes (Note 7) by issuing units at a value of $269,014. For the year ended April 30, 2022, the Company recorded accretion expense of $6,356 and interest expense of $5,949.

7. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.
All issued shares are fully paid.

Issued share capital

During the period ended January 31, 2023, the Company had the following share capital transactions.

a) On May 11, 2022, the Company issued 120,000 common shares at a fair value of $27,600 pursuant to the Agreement with Bridge River Indian Band (Note 5).

b) On May 30, 2022, the Company issued 300,000 common shares at a fair value of $70,500 pursuant to the option agreement on the Eldorado project – Robson claims (Note 5).

c) On July 12, 2022, the Company issued 5,380,274 common shares on the exercise of warrants for proceeds of $322,817.

d) On December 30, 2022, the Company completed a non-brokered private placement offering of 2,001,000 units at a price of $0.20 per unit raising aggregate gross proceeds of $400,200. Each unit consists of one Common Share and one common share purchase warrant. Each Warrant entitles the holder to purchase one Common Share at an exercise price of $0.40 per share for a period of 24 months from issuance. The Company paid finders' fees of $6,720 and issued 33,600 finders' warrants exercisable at a price of $0.40 until December 30, 2024. The fair value of the finders' warrants was determined to be $4,600 using the Black-Scholes option pricing model with the following inputs: i) exercise price: $0.40; ii) share price: $0.25; iii) term: 2 years; iv) volatility: 125%; v) discount rate: 4.06%.

e) On January 31, 2023, the Company issued 375,000 common shares at a fair value of $84,375 pursuant to the option agreement on the ML Project (Note 5).

During the year ended April 30, 2022, the Company had the following share capital transactions.

f) On September 20, 2021, the Company issued 200,000 common shares at a fair value of $20,000 pursuant to the option agreement on the Eldorado project (Note 5).

g) On August 31, 2021, the Company completed a non-brokered private placement offering of 1,100,000 units at a price of $0.10 per unit raising aggregate gross proceeds of $110,000. Each unit consists of one Common Share and two separate one-half (1/2) of one common share purchase warrants (a "1/2 Warrant A" and a "1/2 Warrant B" and, respectively, each whole warrant, a "Warrant A" and a "Warrant B", and collectively the "Warrants"). Each whole Warrant A entitles the holder to purchase one Common Share at an exercise price of $0.25 per share for a period of 24 months from issuance, and each whole Warrant B entitles the holder to purchase one Common Share at an exercise price of $0.50 per share for a period of 24 months from issuance.

   The Company paid finders' fees of $7,350 and issued 73,500 finder's warrants with each such warrant entitling the holder thereof to purchase one Common Share at an exercise price of $0.25 per share for a period of 24 months. The fair value of the finders' warrants was determined to be $2,251 using the Black-Scholes option pricing model with the following inputs: i) exercise price: $0.25; ii) share price: $0.10; iii) term: 2 years; iv) volatility: 100%; v) discount rate: 0.43%.

h) On August 12, 2021, the Company issued 4,000,000 common shares at a fair value of $400,000 pursuant to the option agreement on the Eldorado project – Roxey claims (Note 5).

7. SHARE CAPITAL (Continued)

i) On July 22, 2021, the Company closed a non-brokered private placement of 8,450,000 units at $0.10 per unit (the "Offering") for gross proceeds of $845,000. Each unit consisted of one common share in the capital of the Company and two separate one-half (1/2) of one common share purchase warrants (a "1/2 Warrant A" and a "1/2 Warrant B") and, respectively, each whole warrant, a "Warrant A" and a "Warrant B", and collectively the "Warrants".

Each whole Warrant A entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.25 per share for a period of 24 months from issuance and, each whole Warrant B entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.50 per share for a period of 24 months from issuance. No value was attributed to the warrant component of the units issued.

The Offering closed in three separate tranches, issuing 3,350,000 units on June 28, 2021, 5,000,000 units on July 6, 2021 and 100,000 units on July 14, 2021. The Company paid finders' fees of $21,700 and issued 217,000 finders' warrants exercisable at a price of $0.25 until June 28, 2023. The fair value of the finders' warrants was determined to be $6,646 using the Black-Scholes option pricing model with the following inputs: i) exercise price: $0.25; ii) share price: $0.10; iii) term: 2 years; iv) volatility: 100%; v) discount rate: 0.44%.

j) On July 13, 2021, the Company completed the conversion of convertible notes (Note 5) by issuing 5,380,274 units. Each unit consists of one common share of the Company and one share purchase warrant exercisable at $0.06 for one year from the date of conversion. No value was attributed to the warrant component of the units issued. No gain or loss was recognized on conversion.

k) On December 30, 2021 and January 4, 2022, the Company closed a flow-through non-brokered private placement and the first tranche of a non-flow-through non-brokered private placement. The Company issued 1,485,714 flow-through shares at a price of $0.35 per share (the "FT Shares") and, 1,670,000 non-flow through units ("NFT Units") at a price of $0.25 per NFT Unit for aggregate proceeds of $937,500.

The FT Shares were issued at a premium to the trading value of the Company's common shares, which reflects the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $148,571 and has been recorded as a reduction of share capital. An equivalent flow-through share premium liability has been recorded, which is being reversed pro-rata as the required exploration expenditures are incurred. As at April 30, 2022, approximately $83,900 of the funds had been spent resulting in other income of $23,959 and a remaining flow-through premium liability of $124,612.

Each NFT Unit consists of one common share of the Company and one-half of one common share purchase warrant, each whole warrant entitles the holder to purchase an additional common share of the Company at a price of $0.45 per share for a period of 18 months from the closing of the Offering. No value was attributed to the warrant component of the units issued.

The Company paid finders' fees of $65,625 and issued 116,900 finders' warrants exercisable at a price of $0.25 until July 4, 2023. The fair value of the finders' warrants was determined to be $18,187 using the Black-Scholes option pricing model with the following inputs: i) exercise price: $0.25; ii) share price: $0.27; iii) term: 1.5 years; iv) volatility: 125%; v) discount rate: 0.98%.

l) On March 8, 2022, the Company issued 375,000 common shares at a fair value of $97,500 pursuant to the option agreement on the ML Project (Note 5).

m) On March 17, 2022, the Company issued 400,000 common shares at a fair value of $100,000 pursuant to the option agreement on the Eldorado project (Note 5).

Shares to be issued

As at January 31, 2023, related parties include an incentive bonus payable to compensate the Chief Executive Officer payable in 36,500 common shares at a price of $0.80 per share. Issuance pending since 2016.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

Stock options

On December 19, 2016, the Company adopted a formal Stock Option Plan (the "Option Plan"). Under the Option Plan, the exercise price of each option must not be less than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant and (b) the date of the grant of the stock options. The options can be granted for a maximum term of five years. The maximum number of options that can be issued may not exceed 10% of the issued and outstanding common share capital. The options vest at the discretion of the Board of Directors. The terms of the existing stock options remain in accordance with the stock option plan in place at the time the options were granted.

On November 12, 2021, the Company granted 2,500,000 stock options with an exercise price of $0.15 and a term of two years expiring on November 12, 2023. These options granted had a fair value of $245,307.

On September 19, 2022, the Company granted 250,000 stock options with an exercise price of $0.21 and a term of two years expiring on September 19, 2024. These options granted had a fair value of $33,459.

On November 1, 2022, the Company granted 250,000 stock options with an exercise price of $0.20 and a term of two years expiring on November 1, 2024. These options granted had a fair value of $31,886.

The fair value of options granted was estimated at the date of grant using the Black-Scholes option pricing model based on the following weighted average assumptions:

	Period ended January 31, 2023	**Year ended April 30, 2022**
Risk-free interest rate average	3.86%	0.98%
Expected life	2 years	2 years
Expected annualized volatility	125.00%	125.00%
Expected dividend rate	0.00%	0.00%

Expected stock price volatility was derived from an average volatility based on historical movements in the closing prices of the Company's stock for a length of time equal to the expected life of the options.

A summary of the status of the Company's stock options as at January 31, 2023 and April 30, 2022, and changes during the year then ended is as follows:

	Number of Options	**Weighted average exercise price**
Outstanding, April 30, 2021	**250,000**	**$ 1.00**
Granted	2,500,000	0.15
Cancelled	(100,000)	1.00
Outstanding, April 30, 2022	**2,650,000**	**$ 0.20**
Expired	(150,000)	1.00
Granted	500,000	0.21
Outstanding, January 31, 2023	**3,000,000**	**$ 0.16**

The weighted average remaining life is 1.19 years (April 30, 2022 – 1.46 years)

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

The following incentive stock options were outstanding and exercisable at January 31, 2023 and April 30, 2022:

Expiry Date	Exercise Price	January 31, 2023	April 30, 2022
June 9, 2022	$1.00	-	150,000
November 12, 2023	$0.15	2,500,000	2,500,000
September 19, 2024	$0.21	250,000	-
November 1, 2024	$0.20	250,000	-
		3,000,000	**2,650,000**

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted average exercise price
Outstanding, April 30, 2021	**-**	**$ -**
Issued	16,672,680	0.27
Exercised	(500,000)	0.10
Outstanding, April 30, 2022	**16,172,680**	**$ 0.27**
Issued	2,034,600	0.40
Exercised	(5,380,274)	0.06
Outstanding, January 31, 2023	**12,827,006**	**$ 0.38**

The weighted average remaining life is 0.92 years (April 30, 2022 – 0.86 years)

The following warrants were outstanding at January 31, 2023 and April 30, 2022:

Expiry Date	Exercise Price	Number of Warrants January 31, 2023	Number of Warrants April 30, 2022
July 13, 2022	$0.06	-	5,380,274
June 25, 2023	$0.25	1,675,000	1,675,000
June 25, 2023	$0.50	1,675,000	1,675,000
June 25, 2023 (1)	$0.25	217,000	217,000
July 4, 2023	$0.45	835,000	835,000
July 4, 2023	$0.45	116,900	116,900
July 6, 2023	$0.25	2,500,003	2,500,003
July 6, 2023	$0.50	2,500,003	2,500,003
July 14, 2023	$0.25	50,000	50,000
July 14, 2023	$0.50	50,000	50,000
August 31, 2023	$0.25	550,000	550,000
August 31, 2023	$0.50	550,000	550,000
August 31, 2023 (1)	$0.25	73,500	73,500
December 30, 2024	$0.40	2,001,000	-
December 30, 2024 (1)	$0.45	33,600	-
		12,827,006	**16,172,680**

(1) Finder Warrants

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

Finder's warrants issued during the period ended January 31, 2023 $4,600 (April 30, 2022 - $43,933) were fair valued as using the Black Scholes option pricing model with the following weighted average assumptions:

	Period ended January 31, 2023	Year ended April 30, 2022
Risk-free interest rate average	4.06%	0.43%
Expected life	2 years	2 years
Expected annualized volatility	125.00%	125.00%
Expected dividend rate	0.00%	0.00%

On December 30, 2022, the Company completed a private placement of flow-through common shares for gross proceeds of $520,000 and recognized a flow-through liability of $148,571. The Company is required to spend the funds on qualified exploration programs no later than December 31, 2022. The Company renounced the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2021. The flow-through funds had been spent prior to October 31, 2022, and $Nil is remaining in flow-through liability. The Company amortized the premium on a pro-rata basis as the flow-through funds were expended and recognized as other income on settlement of the flow-through premium liability.

8. LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended January 31, 2023, was based on the loss attributable to common shareholders and a weighted average number of common shares outstanding for each period presented.

All options and warrants were excluded from the diluted weighted average number of common shares calculation, as their effect would have been anti-dilutive.

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors. The transactions with related parties were in the normal course of operations and were measured at the fair value.

Key management personnel compensation during the periods ended January 31, 2023, and 2022 was as follows:

	January 31, 2023	January 31, 2022
Consulting fees	$ 30,000	$ 70,000
Professional fees	66,250	44,500
Rent	42,262	30,087
	$ 138,512	**$ 144,587**

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (Continued)

The amounts due to the related parties are as follows:

		January 31, 2023		April 30, 2022
Included in accounts payable and accrued liabilities:				
Due to the CFO	$	7,350	$	-
Due to the former CFO		-		2,625
Due to the CEO		11,182		5,592
Due to the Corporate Secretary		5,204		3,498
Due to Directors		884		-
	$	24,620	$	11,715

The amounts owing above are unsecured, non-interest bearing and have no fixed term for repayment.

10. LOAN PAYALBE

On April 6, 2021 ("Effective Date"), the Company entered into an unsecured Promissory Note (the "Loan") with an arm's length party, whereby the Company received an amount of $50,000. The Loan bears interest at 8% annually and is due on April 6, 2022 (the "Maturity Date"). As further consideration for providing the loan, the Company granted 500,000 common share purchase warrants ("Bonus Warrants") during the year ended April 30, 2022. Each Bonus Warrant is exercisable for one common share in the capital of the Company at a price equal to $0.10 per share for a period of 12 months from the Effective Date. The fair value of the Bonus Warrants was determined to be $19,186 using the Black-Scholes option pricing model with the following inputs: i) exercise price: $0.10; ii) share price: $0.10; iii) term: 1 year; iv) volatility: 100%; v) discount rate: 0.26%. The fair value of the Bonus Warrants was recorded in fiscal 2021 and were treated as a transaction cost and accreted to the loan over up to the Maturity Date.

As at April 30, 2022, the Company repaid the Loan in its entirety; recorded $15,646 (2021 - $nil) of accretion expense and $5,435 (2021 - $1,262) of interest expense in connection with the Loan and Bonus Warrants transaction costs.

11. INCOME TAXES

A reconciliation of income taxes by applying the Canadian statutory income tax rate of 27% to the consolidated loss is as follows:

		Year ended April 30, 2022
Loss for the year	$	(765,107)
Expected income tax (recovery)		(207,000)
Non-deductible permanent differences		11,000
Origin and reversal of temporary differences		5,000
Change in tax assets not recognized		191,000
Total income tax recovery	$	-

(Expressed in Canadian Dollars)

11. INCOME TAXES (Continued)

The significant components of the Company's deferred tax assets and liabilities that have not been included on the consolidated statement of financial position as follows:

		Year ended April 30, 2022
Non-capital losses	$	778,000
Share issue costs		20,000
Other		-
Exploration and evaluation assets		(20,000)
Allowable capital losses		446,000
	$	1,224,000

The Company has available for deduction against future taxable income non-capital losses carried forward of approximately $2,860,000. The non-capital losses, if not utilized, will start to expire between 2027 and 2042. Share issue costs of approximately $76,000 (April 30, 2021 - $Nil) with expiration in 2046. Allowable capital losses of approximately $1,650,000 (April 30, 2021 - $Nil) with no expiry.

Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these consolidated financial statements and have been offset by a valuation allowance due to the uncertainty of their realization.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

12. CAPITAL MANAGEMENT

The Company defines capital that it manages as the aggregate of share capital, reserves and deficit.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. 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 relies on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is enough economic potential and if it has adequate financial resources to do so. 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 restrictions. There have been no changes to the Company's capital management approach during the period ended January 31, 2023.

13. FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks, which include credit, liquidity, market, foreign exchange, interest rate, and commodity price risks.

Financial risk management is carried out by the Company's management team with oversight from the Company's Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

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

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's management believes it has no significant credit risk.

The financial instrument that potentially subjects the Company to a significant concentration of credit risk is cash. The Company mitigates its exposure to credit loss associated with cash by placing its cash in major financial institutions. At January 31, 2023, the Company had cash of $29,299 (April 30, 2022 - $677,379).

Interest rate risk
The Company is exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity and no penalty cashable feature of its cash. For the period ended January 31, 2023 every 1% fluctuation in interest rates up or down would have an insignificant impact.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At January 31, 2023, the Company had a cash balance of $29,299 (April 30, 2022 - $677,379) to settle current liabilities of $198,769 (April 30, 2022 - $213,281). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company expects to fund these liabilities through the use of existing cash resources or additional equity financing.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. The Company is not exposed to significant interest rate or equity price risks at January 31, 2023.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount due to their short-term maturity of the instruments.

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

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