LOMIKO METALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

Year ended July 31, 2023

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Shareholders of Lomiko Metals Inc.

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 to the financial statements, which describes events or conditions that indicate 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Information

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

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

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

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 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

November 28, 2023

LOMIKO METALS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

		As at **July 31, 2023**		As at July 31, 2022
ASSETS				
Current				
Cash and cash equivalents (Note 4 & 11)	$	2,098,532	$	3,768,063
Other receivables		104,937		44,722
Prepaid expenses		48,568		64,649
		2,252,037		3,877,434
Non-current				
Investments in associates (Note 5)		-		2
Exploration and evaluation advances		124,244		457,306
Exploration and evaluation assets (Note 6)		11,827,567		9,349,726
		11,951,811		9,807,034
	$	14,203,848	$	13,684,468
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 8, 11 and 13)	$	370,485	$	812,060
Flow-through premium liability (Note 9)		202,727		366,780
		573,212		1,178,840
EQUITY				
Share capital (Note 7)		39,793,090		38,188,177
Reserves (Note 7)		4,026,064		5,189,837
Deficit		(30,188,518)		(30,872,386)
		13,630,636		12,505,628
	$	14,203,848	$	13,684,468

Nature of Operations and Going Concern (Note 1)
Subsequent event (Note 15)

Approved on behalf of the Board:

"Belinda Labatte"	"Sagiv Shiv"
Belinda Labatte – Chief Executive Officer & Director	Sagiv Shiv – Chair of the Audit Committee

The accompanying notes form an integral part of these consolidated financial statements

LOMIKO METALS INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

		Year ended July 31, 2023		Year ended July 31, 2022
Expenses				
Advertising and promotion	$	234,659	$	425,146
Insurance		24,047		15,144
Management and consulting fees (Note 13)		225,244		946,203
Office and miscellaneous		75,620		75,885
Professional fees		281,199		386,029
Regulatory and filing fees		56,624		80,143
Salaries and benefits (Note 13)		723,378		424,769
Shareholder communications		160,960		90,644
Share based payments (Note 7 and 13)		530,412		1,356,780
Travel		69,649		64,703
Loss from operations		(2,381,792)		(3,865,446)
Other income/(loss)				
Part XII.6 interest (Note 9)		(16,164)		-
Amortization of flow-through premium liability (Note 9)		438,803		617,624
Other		349		1
Write off of advance (Note 5)		-		(152,857)
Write off of investments (Note 5)		(2)		(2)
		422,986		464,766
Net loss and comprehensive loss for the year	$	(1,958,806)	$	(3,400,680)
Basic and Diluted Loss Per Share	$	(0.01)	$	(0.01)
Basic and Diluted Weighted Average Common Shares		326,811,006		260,692,480

The accompanying notes form an integral part of these consolidated financial statements

LOMIKO METALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended July 31, 2023	Year ended July 31, 2022
Cash flows used in operating activities		
Net loss	$ (1,958,806)	$ (3,400,680)
Items not involving cash and cash equivalents:		
Share-based payments	530,412	1,356,780
Amortization of flow-through premium	(438,803)	(617,624)
Write off of advance	-	152,857
Write off of investments	2	2
	(1,867,195)	(2,508,665)
Changes in non-cash working capital items:		
Other receivables	(60,215)	54,677
Prepaid expenses	16,081	42,779
Accounts payable and accrued liabilities	147,153	(9,104)
	(1,764,176)	(2,420,313)
Cash flows from financing activities		
Issuance of flow-through shares for cash	1,276,000	2,755,450
Issuance of shares for cash	1,616,615	1,516,000
Options exercised	-	70,000
Warrants exercised	-	64,400
Share issue cost	(139,463)	(226,822)
	2,753,152	4,179,028
Cash flows used in investing activities		
Exploration and evaluation expenditures, net	(2,602,140)	(2,678,180)
Exploration and evaluation advances	(56,367)	(352,306)
	(2,658,507)	(3,030,486)
Decrease in cash	(1,669,531)	(1,271,771)
Cash and cash equivalents, beginning of year	3,768,063	5,039,834
Cash and cash equivalents, end of year	$ 2,098,532	$ 3,768,063

Supplemental Disclosure with respect to Cash Flows (Note 14)

The accompanying notes form an integral part of these consolidated financial statements

LOMIKO METALS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Common Shares Without Par Value				
	Shares	Amount	Reserves	Deficit	Total Equity
Balance, July 31, 2021	**237,951,546**	**$ 35,839,156**	**$ 2,947,824**	**$ (27,760,150)**	**$ 11,026,830**
Issuance of shares for cash	18,950,000	1,516,000	-	-	1,516,000
Issuance of flow through shares	28,206,270	2,755,450	-	-	2,755,450
Flow through share premium	-	(656,330)	-	-	(656,330)
Share issue costs	-	(226,822)	-	-	(226,822)
Fair value assigned to warrants	-	(1,255,081)	1,255,081	-	-
Share based compensation	-	-	1,356,780	-	1,356,780
Warrants exercised	920,000	64,400	-	-	64,400
Transfer of reserves on exercise of warrants	-	12,966	(12,966)	-	-
Options exercised	1,400,000	70,000	-	-	70,000
Transfer of reserves on exercise of options	-	68,438	(68,438)	-	-
Options expired	-	-	(118,619)	118,619	-
Options cancelled	-	-	(169,825)	169,825	-
Net loss for the year	-	-	-	(3,400,680)	(3,400,680)
Balance, July 31, 2022	**287,427,816**	**$ 38,188,177**	**$ 5,189,837**	**$ (30,872,386)**	**$ 12,505,628**
Issuance of shares for cash	53,887,163	1,616,615	-	-	1,616,615
Issuance of flow through shares	36,325,000	1,276,000	-	-	1,276,000
Flow through share premium	-	(274,750)	-	-	(274,750)
Issued to acquire resource property	2,500,000	75,000	-	-	75,000
Issued to brokers	416,667	12,500	-	-	12,500
RSU exercised	2,041,667	153,125	(153,125)	-	-
PSU cancelled	-	-	(43,726)	43,726	-
Share issue costs	-	(151,963)	-	-	(151,963)
Fair value assigned to warrants	-	(1,101,614)	1,101,614	-	-
Warrants expired	-	-	(2,598,948)	2,598,948	-
Share based compensation	-	-	530,412	-	530,412
Net loss for the year	-	-		(1,958,806)	(1,958,806)
Balance, July 31, 2023	**382,598,313**	**$ 39,793,090**	**$ 4,026,064**	**$ (30,188,518)**	**$ 13,630,636**

See Note 7

The accompanying notes form an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

(a) Nature of Operations

Lomiko Metals Inc., (along with its subsidiaries collectively referred to as the "Company" or "Lomiko"), is engaged in the acquisition, exploration and development of resource properties. The Company was incorporated on July 3, 1987, under the British Columbia Company Act. The Company is listed on the TSX-Venture Exchange ("TSX-V") having the symbol LMR.V as a Tier 2 mining issuer and on the over-the-counter Exchange in the United States having the symbol LMRMF, and the Frankfurt Exchange in Germany having the symbol DH8C.

The Company's registered and head office is unit 439-7184 120th Street, Surrey, British Columbia, Canada V3W 0M6.

(b) Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred cumulative losses of $30,188,518 and has reported a loss of $1,958,806 for the year ended July 31, 2023. The ability of the Company to continue as a going concern is dependent upon successfully obtaining additional financing, entering into a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Company's assets, the outright sale of the Company, the successful development of the Company's mineral property interests, or a combination thereof. There can be no assurance that funding from this will be sufficient in the future to continue and develop its mineral properties. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

(a) Statement of Compliance

These consolidated financial statements of the Company, 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 November 28, 2023.

(b) Basis of Presentation and Consolidation

These consolidated financial statements of the Company incorporate the financial statements of the Company and its wholly owned subsidiaries, The Conac Company Inc., Conac Software (USA) Inc., Lomiko Metals LLC and Lomiko Technologies Inc. from the day the Company gains control over the subsidiaries and ceases when the Company loses control of the subsidiaries. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect the investee's returns.

The Company reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three above mentioned elements.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE - continued

All significant intercompany transactions, balances, income and expenses are eliminated on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been applied in the preparation of these consolidated financial statements are summarized below. These accounting policies have been used throughout all periods presented in the consolidated financial statements.

a) Investment in Associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not control or have joint control over those policies.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. Under the equity method, investments in associates are carried in the statement of financial position at cost adjusted for post-acquisition changes in the Company's share of net assets of the associates, less any impairment losses.

The requirements of IFRS 9 *Financial Instruments* are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 *Impairment of Assets (IAS 36)* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment.

Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Losses in an associate in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred a legal or constructive obligation to make payments on behalf of the associate.

b) Presentation currency and foreign currency translation

The consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and of each subsidiary.

Foreign currency transactions are translated into functional currency of each entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from re-measurement of foreign currency denominated monetary items at reporting period and exchange rates are recognized in profit or loss.

Non-monetary assets and liabilities that are measured at historical cost are translated using the exchange rates in effect at the time of the initial transaction and are not subsequently re-measured at reporting period ends.

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

d) Exploration and Evaluation Expenditures

Exploration and evaluation assets include the costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to profit or loss. Exploration and evaluation assets are assessed for impairment annually – see Note 3(g).

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within equipment. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

e) Decommissioning liabilities

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

As at July 31, 2023 and 2022, the Company did not have any decommissioning liabilities.

f) Financial Instruments

Financial instruments – recognition and measurement

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

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. 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 FVTPL. 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.

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 at FVTOCI.

The Company classifies its cash and cash equivalents as FVTPL and its receivables, and accounts payable at amortized cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(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 statements of loss and 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 statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Income (“OCI”). On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

(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 statements of loss and 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) De-recognition

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 de-recognition are generally recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

g) Impairment of Assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- The right to explore the areas has expired or will expire in the near future with no expectation of renewal;

- No further exploration or evaluation expenditures in the area are planned or budgeted;

- No commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;

- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset’s or cash-generating unit’s carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss is reversed when the asset’s or cash generating unit’s recoverable amount exceeds its carrying amount.

The impairment of investment in associates occurs when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the investment (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment. If any evidence of impairment exists, the loss is recognized. The current loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognized as an expense. An impairment loss is reversed in a subsequent period to the extent that the recoverable amount of the investment increases.

h) Income Taxes

Income tax expense comprises of current and deferred tax expense. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Current taxes

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not recognized on the initial recognition of goodwill, on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction, and on temporary differences relating to investments in subsidiaries and jointly controlled entities where the reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that are expected to apply when the assets are recovered and the liabilities settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities and assets are expected to be settled or recovered.

i) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Share capital issued for non-monetary consideration is recorded at fair value, being the quoted share price at the time of issuance.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

j) Earnings/Loss per Share

Basic earnings (loss) per common share is computed by dividing the net income (loss) available to common shareholders of the Company by the weighted average number of shares outstanding or committed to issue for the relevant year.

Diluted earnings (loss) per common share is computed by dividing the net income (loss) applicable to common shareholders by the sum of the weighted average number of common shares issued and outstanding or committed and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

k) Share-based Payments

The Company has adopted an Omnibus Equity Incentive Plan which grants share-based compensation to employees, consultants, persons performing investor relations activities and directors.

Where equity-settled share options are awarded to employees, the fair value of the options, deferred share units, restricted share units, and performance share units at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

The value of the options and warrants granted, related to the issuance of shares, are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by reference to the fair value of the instrument granted. For options and warrants, the fair value is estimated usingthe Black-Scholes Option Pricing Model valuation model.

Share-based compensation arrangements in which the Company receives other goods or services from non-employees as consideration for its own equity instruments are accounted for as equity settled share based payment transactions and measured at the fair market value of the goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share based payment transaction is measured at the fair market value of the equity instruments granted at the date the Company receives the goods or the services.

All equity-settled share-based payments consisting of options and warrants are reflected in share based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share based payment reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

l) Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium,

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

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

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid (Note 9).

m) Significant Accounting Judgments and Estimates

The preparation of the Company's financial statements in accordance with IFRS requires Company's management to make certain judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results are likely to differ from these estimates. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses in these financial statements are discussed below.

Going concern: The assessment of the Company's ability to continue as a going concern requires significant judgment. The Company considers the factors outlined in Note 1 when making its going concern assessment.

Exploration and evaluation assets: The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether there are indicators of impairment that require management to determine whether the recoverable amount is not less than the carrying amount (see Note 3(g)). The carrying value of these assets is detailed at Note 6.

Title to Mineral Property Interests: Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Estimates and assumptions

Share-based payments: The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and employees. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could a material impact on the share-based payment calculation value.

Deferred tax assets: The assessment of the probability of future taxable income against which deferred tax assets can be utilized is based on the Company's future planned activities, supported by budgets that have been approved by the Board of Directors. Management also considers the tax rules of the various jurisdictions in which the Company operates. Should there not be a forecast of taxable income that indicates the probable utilization of a deferred tax asset or any portion thereof, the Company does not recognize the deferred tax asset.

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Valuation of investment in associates: At the end of each financial reporting period, the Company's management evaluates whether there is impairment of its investments in associates based on the criteria below and records such valuations in the financial statements directly in net loss:

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or
- There have been significant corporate, operating, technological or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or
- The investee company is placed into receivership or bankruptcy.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the recoverable amount of an investment is warranted at the end of each reporting period. In the absence of the occurrence of any of these events, or any significant change in general market conditions, the carrying value of the investment is left unchanged.

Application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgment, and any value estimated from these techniques may not be realized.

n) New and revised standards and interpretations

There are no IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the statement of financial position usually comprise of cash at bank, funds held in trust, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

	July 31, 2023	July 31, 2022
Cash	$ 2,073,532	$ 3,743,063
Guaranteed investment certificate	25,000	25,000
	$ 2,098,532	$ 3,768,063

(Expressed in Canadian Dollars)

5. INVESTMENT IN ASSOCIATES

Promethieus Technologies Inc.

On May 23, 2018, the Company purchased 200 common shares of Promethieus Cryptocurrency Mining Corporation, a private company, incorporated in British Columbia on January 24, 2018. On October 28, 2018, Promethieus Cryptocurrency Mining Corporation changed its name to Promethieus Technologies Inc (PTI), The Company currently holds 20% (2022-20%) of the outstanding shares of PCM and accounts for its investment on the equity basis. The Company recorded a further write down of $2 in fiscal 2023.

The amount due from associate of $152,857 as at July 31, 2022 was due from PTI for payment of expenses on behalf of PTI. The amount was unsecured and there were no specified terms of repayment. On July 31, 2022, the Company determined the advance to be uncollectible and recorded a loss of $152,857.

	Number of shares held	$
July 31, 2023	200	-
July 31, 2022	200	2

6. EXPLORATION AND EVALUATION ASSETS

La Loutre – Quebec

On September 22, 2014 the Company obtained an option with Quebec Precious Metals Corporation (formally Canada Strategic Metals Inc.) ("QPM"), to purchase a 40% interest in the La Loutre Crystalline Flake Graphite Property located in Southern Quebec by paying $12,500, funding $500,000 in exploration expenditures and issuing 125,000 shares at a price of $0.70 per share.

On February 6, 2015 (amended December 30, 2016), the Company signed an agreement with QPM to acquire an additional 40% interest in the La Loutre property. The agreement also included an option for a property that the Company ceased all exploration programs on, in 2018 and impaired. The Company paid $10,000 upon signing, issued 300,000 shares valued at $0.70 per share, and agreed to fund $1,500,000 on the La Loutre property.

Included in the Exploration Expenditures will be a management fee payable to QPM (the "Operator") equal to 5% of expenditures incurred.

The La Loutre property is subject to a 1.5% net smelter royalty ("NSR") of which 0.5% "NSR" can be purchased by the Company for $500,000.

On May 13, 2016 (amended December 30, 2016 and April 16, 2020) the Company signed an additional option agreement on the La Loutre property, allowing the Company to increase its interest in the property from 80% to 100%. The terms of the acquisition are as follows:

- Issuance of 950,000 common shares - 450,000 have been issued as of May 31, 2017, Issuance of the remaining 500,000 shares has been replaced with the 1,000,000 share issuance below
- Issuance of 1,000,000 common shares (issued June 23, 2020)
- Funding exploration expenditures for an additional $1,125,000 due December 31, 2022 (incurred)

The Company now owns 100% of this property.

6. EXPLORATION AND EVALUATION ASSETS - continued

Bourier – Quebec

On April 24, 2022 (amended December 31, 2021) the Company entered into an option agreement with Critical Elements Lithium Corporation ("Critical") to acquire up to a 70% undivided interest in the Bourier property located in Quebec.

The Bourier Property is composed of one block totaling 203 claims located along the east side of the new Rupert hydroelectric complex. It is subject to a 1.4% NSR on 87 claims.

Under the terms of the agreement the Company will earn its interest in the Bourier property by way of a joint venture arrangement. The keys terms of the agreement are as follows:

FIRST OPTION

The Company may earn, on or before December 31, 2023, a 49% earned interest in the Bourier Property by:

- making a cash payment to Critical of $25,000 within a delay of five (5) days following the execution of the Agreement (paid);
- making a cash payment to Critical of $25,000 within a delay of five (5) days following the receipt of the required approvals from the TSX-V (paid);
- issuing to Critical 5,000,000 common shares immediately following the receipt of the required approvals from the TSX-V (issued with a fair value of $700,000); and incurring or funding exploration expenditures aggregating not less than $1,300,000 on the Bourier Property, of which an amount of $550,000 ($373,012 incurred as at July 31, 2023) must be incurred or funded before December 31, 2022 (amended to December 31, 2023) and an amount of $750,000 before December 31, 2023

SECOND OPTION

Subject to the Company having exercised the First Option, the Company has an option to increase its undivided interest in the Bourier Property from 49% to 70% by:

- making a cash payment to Critical of $250,000 and issuing 2,500,000 common shares, on or before the date of delivery of the First Option Exercise Notice;
- incurring or funding additional exploration expenditures for an amount of $2,000,000 on or before December 31, 2023; and
- delivering the Resource Estimate to Critical on or before December 31, 2023.

MILESTONE PAYMENTS

Subject to the Company's right to withdraw from and terminate the First Option, the Company agrees to pay the following milestone payments, payable at any time following the exercise of the First Option upon the occurrence of the following:

6. EXPLORATION AND EVALUATION ASSETS – continued

- On the estimation of a drilled defined resource (NI 43-101 compliant) of 5,000,000 tonnes at a cut-off grade of 0.6% Li2O (all categories) a payment of $750,000, payable in cash or in common shares of the Company at the sole discretion the Company;

- On the estimation of a drilled defined resource (NI 43-101 compliant) of 5,000,000 tonnes at a cut-off grade of 0.6% Li2O (all categories) a payment of $750,000, payable in cash or in common shares of the Company at the sole discretion the Company;

- On the estimation of a drilled defined resource (NI 43-101 compliant) of 15,000,000 tonnes at a cut-off grade of 0.6% Li2O (all categories) a payment of $1,500,000, payable in cash or in common shares of the Company at the sole discretion the Company;

- On the estimation of a drilled defined resource (NI 43-101 compliant) of 20,000,000 tonnes at a cut-off grade of 0.6% Li2O (all categories) a payment of $2,000,000, payable in cash or in common shares Company at the sole discretion the Company.

ROYALTY

Following the exercise of the First Option, the Bourier property is subject to a 2% NSR, of which 1% NSR can be purchased by the Company for $2,000,000.

Laurentide Region – Quebec

In March 2023 the Company staked approximately 236 claims. These new claims lie within a 100 km radius of the Company's La Loutre property and 28 claims are directly contiguous.

Carmin

On June 01, 2023 the Company completed a purchase agreement with SOQUEM Inc. (SOQUEM) and a private company, to acquire 100% of 17 mineral claims in Southern Quebec, forming the Carmin project. The terms of the acquisition are as follows:

- $50,000 payable in cash, to SOQUEM, (paid June 1, 2023)
- Issue of 1,250,000 common shares to SOQUEM (issued May 31, 2023)
- Issue of 1,250,000 common shares to the private company (issued May 31,2023)
- Granting of a royalty of 0.75% NSR to SOQUEM and the private company. The Company has the right to redeem one-third of the Royalties from both parties, reducing the royalty to 0.50%, for a cash payment of 250,000 to each party. The NSR will then be limited to $1,000,000 per party.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS – continued

Summary of Exploration and Evaluation Assets

	La Loutre	Bourier	Laurentide Region	Carmin	Total
Balance, July 31, 2021	$ 5,193,200	$ 829,863	$ -	$ -	$ 6,023,063
Assays, staking and mapping	-	-	21,054	-	21,054
Contractors/consultants	2,815,408	293,149	231,123	-	3,339,680
Field storage	17,460	-	-	-	17,460
Quebec mining tax credits	(51,531)	-	-	-	(51,531)
Balance, July 31, 2022	$ 7,974,537	$ 1,123,012	$ 252,177	$ -	$ 9,349,726
Assays, staking and mapping	90,656	-	55,990	-	146,646
Contractors/consultants	1,699,345	504,433	2,083	5,098	2,210,959
Field storage	21,873	-	-	-	21,873
Acquisition of property	-	-	-	125,000	125,000
Quebec mining tax credit	(26,637)	-	-	-	(26,637)
Balance, July 31, 2023	**$ 9,759,774**	**$ 1,627,445**	**$ 310,250**	**$ 130,098**	**$ 11,827,567**

7. SHARE CAPITAL AND RESERVES

a) Share Capital

Authorized

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

Issued

Year ended July 31, 2023

On December 9, 2022, the Company completed a private placement, by issuing 40,520,497 common share units of the Company at $0.03 per unit for total gross proceeds of $1,215,615. Each unit consists of one common share and one common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.05 per share for a period of 60 months. The warrants had a fair value of $1,025,122 calculated using the Black Scholes Option Pricing Model, of which $556,136 was allocated to reserves on a relative fair value basis. Finders' fees and brokers commission of $36,211, legal fees of $18,050, and filing fees of $14,379 were paid. In addition, 50,000 share purchase warrants exercisable for 60 months at an exercise price of $0.05, with a fair value of $1,265 calculated using the Black Scholes Option Pricing Model was recorded to share issue costs, were issued to brokers.

Three officers participated in the placement by purchasing 4,499,999 units in the amount of $135,000.

On December 19, 2022, the Company completed a private placement, by issuing 18,625,000 of flow-through units of the Company at $0.04 per unit for total gross proceeds of $745,000. Each unit consists of one flow-through common share and one common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.06 per share for a period of 24 months. The warrants had a fair value of $245,120 calculated using the Black Scholes Option Pricing Model, of

7. SHARE CAPITAL AND RESERVES – continued

which $184,436 was allocated to reserves on a relative fair value basis. The Company recognized a flow-through premium liability of $186,250 in connection with the flow-through private placement based on an estimated premium of approximately $0.01 per flow-through common share issued (Note 9). Finders' fees and brokers commission of $7,500, and legal fees of $8,940 were paid. In addition, 187,500 share purchase warrants exercisable for 24 months at an exercise price of $0.06, with a fair value of $2,468 calculated using the Black Scholes Option Pricing Model was recorded to share issue costs, were issued to brokers.

A director participated in the flow-through placement by purchasing 1,875,000 units in the amount of $75,000.

On February 22, 2023, April 18, 2023 and May 5, 2023, 2,041,667, common shares were issued for vested RSU's. $153,125 was reclassified from reserves to share capital on the issuance of RSU shares.

On May 31, 2023, 2,500,000 common shares valued at $75,000 were issued to acquire the Carmin property.

On July 19, 2023, the Company completed a private placement by issuing 13,366,666 common share units of the Company at $0.03 per unit for gross proceeds of $401,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.05 for a period of 60 months. The warrants had a fair value of $349,643 calculated using the Black Scholes Option Pricing Model, of which $186,783 was allocated to reserves on a relative fair value basis. Finders' fees and commissions of $2,550, legal fees of $7,900, and filing fees of $2,755 were paid. In addition, 416,667 common shares, with a value of $12,500 were issued to brokers. 85,000 share purchase warrants exercisable for 60 months at an exercise price of $0.05, with a fair value of $2,223 measured using the Black Scholes Option Pricing Model was recorded to share issue cost, were issued to brokers.

On July 24, 2023, the Company completed a private placement by issuing 17,700,000 of flow-through units of the Company at $0.03 per unit for gross proceeds of $531,000. Each unit is comprised of one flow-through common share and one common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.06 for a period of 60 months. The warrants had a fair value of $223,197 calculated using the Black Scholes Option Pricing Model, of which $157,144 was allocated to reserves on a relative fair value basis. The Company recognized a flow-through premium liability of $88,500 in connection with the flow-through private placement based on an estimated premium of approximately $0.005 per flow-through common share issued (Note 9). Finders' fees and brokers commission of $26,550, legal fees of $12,716 and filing fees of $1,912 were paid. In addition, 885,000 share purchase warrants exercisable for 24 months at an exercise price of $0.06, with a fair value of $11,160 calculated using the Black Scholes Option Pricing Model was recorded to share issue costs, were issued to brokers.

Year ended July 31, 2022

On December 22, 2021, the Company completed a private placement, by issuing 18,440,870 flow-through units of the Company at $0.115 per unit for total gross proceeds of $2,120,700. Each unit consists of one flow-through common share and one-half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.18 per share for a period of 24 months. The warrants had a fair value of $461,267 calculated using the Black Scholes Option Pricing Model, of which $378,862 was allocated to reserves on a relative fair value basis. The Company recognized a flow-through premium liability of $461,022 in connection with the flow-through private placement based on an estimated premium of approximately $0.025 per flow-through common share issued (Note 9). Finders' fees and brokers commission of $99,775, legal fees of $6,475, and filing fees

7. SHARE CAPITAL AND RESERVES – continued

of $14,789 were paid. In addition, 867,695 share purchase warrants exercisable for 24 months at an exercise price of $0.18, with a fair value of $43,408 calculated using the Black Scholes Option Pricing Model was recorded to share issue costs, were issued to brokers.

A director participated in the flow-through placement by purchasing 434,783 units in the amount of $50,000.

On January 19, 2022, the Company completed a private placement by issuing 18,950,000 common share units of the Company at $0.08 per unit for gross proceeds of $1,516,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.11 for a period of 60 months. The warrants had a fair value of $1,352,899 calculated using the Black Scholes Option Pricing Model, of which $714,907 was allocated to reserves on a relative fair value basis. Finders' fees and commissions of $33,100, legal fees of $20,381 and filing fees of $10,918 were paid. In addition, 413,750 share purchase warrants exercisable for 24 months at an exercise price of $0.11, with a fair value of $22,316 measured using the Black Scholes Option Pricing Model was recorded to share issue cost, were issued to brokers.

Two officers and one director participated in the placement by purchasing 1,375,000 units in the amount of $110,000.

On July 25, 2022, the Company completed a private placement, by issuing of 9,765,400 flow-through units of the Company at $0.065 per unit for total gross proceeds of $634,751. Each unit consists of one flow-through common share and one-half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.10 per share for a period of 24 months. The warrants had a fair value of $96,909 measured using the Black Scholes Option Pricing Model, of which $84,073 was allocated to reserves on a relative fair value basis. The Company recognized a flow-through premium liability of $195,308 in connection with the flow-through private placement based on an estimated premium of approximately $0.02 per flow-through common share issued (Note 9). Finders' fees and brokers commission of $31,737 legal fees of $4,470 and filing fees of $5,177 were paid. In addition, 580,182 share purchase warrants exercisable for 24 months at an exercise price of $0.10, with a fair value of $11,515 measured using the Black Scholes Option Pricing Model was recorded to share issue cost, were issued to brokers.

During the year ended July 31, 2022, a total of 1,400,000 stock options from various option offerings, were exercised at a price of $0.05 per share for gross proceeds of $70,000 and 1,400,000 common shares of the Company were issued. In addition, the Company transferred a total of $68,438 from equity reserve to share capital for the exercise of these options, which represents the estimated fair value of the options at the grant date.

920,000 share purchase warrants issued under the December 30, 2019, private placement were exercised at a price of $0.07 per share for gross proceeds of $64,400 and 920,000 common shares of the Company were issued. In addition, the Company transferred a total of $12,966 from equity reserve to share capital for the exercise of these warrants, which represent the estimated fair value of the warrants at the grant date.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES – continued

b) Share purchase warrants

A continuity of the Company's share purchase warrant transactions for the years ended July 31, 2023 and 2022 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2021	62,775,959	$0.18
Issued for financing	34,914,762	$0.14
Exercised	(920,000)	$0.07
Balance, July 31, 2022	96,770,721	$0.17
Issued for financing	91,419,663	$0.05
Expired	(61,855,959)	$0.18
Balance, July 31, 2023	**126,334,425**	**$0.09**

The following table summarizes information relating to share purchase warrants outstanding and exercisable at July 31, 2023.

Number of Warrants	Exercise Price	Expiry Date
10,088,130	$0.10	December 22, 2023
413,750	$0.11	January 19, 2024
5,462,882	$0.10	July 25, 2024
18,812,500	$0.06	December 19, 2024
18,585,000	$0.06	July 24, 2025
18,950,000	$0.11	January 19, 2027
40,570,497	$0.05	December 9, 2027
13,451,666	$0.05	July 19, 2028
126,334,425		

The weighted average remaining contractual life of the warrants as at July 31, 2023 was 3.03 years (2022 – 1.43 years).

The following weighted average assumptions were used for the Black-Scholes Option Pricing Model for warrants granted:

	July 31, 2023	July 31, 2022
Risk free interest rate	3.51%	1.69%
Expected life of warrants	3.77 years	3.63 years
Annualized stock price volatility	131.08%	130.50%
Expected dividend yield	0%	0%

c) Share-based payments

On December 6, 2021, the Company adopted an Omnibus Equity Incentive Plan ("Omnibus Plan") to amend and restate the Company's stock option plan ("Predecessor Plan"). Under the terms of the plan the Company may grant share-based compensation to Employees, Consultants, Persons performing

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES – continued

Investor Relations Activities and Directors.

The maximum aggregate number of Shares issuable under this plan in respect of Options shall not exceed ten (10%) percent of the Company's issued and outstanding Shares at any point in time. The number of common shares reserved for issuance to consultant or persons performing Investor Relations activities will not exceed two (2%) of the issued and common shares in any twelve-month period. All outstanding stock options granted under the predecessor plan shall continue to be outstanding as stock options granted under and subject to the terms of this Omnibus Plan.

The maximum aggregate number of Shares issuable under this plan in respect of Deferred Share Units (DSU's), Restricted Share Units (RSUs) and Performance Share Units (PSUs) shall not exceed 23,810,154 at any point in time, representing 10% of the issued and outstanding shares of the Company as at the date of adoption of the Omnibus Plan. The total number of DSU's RSUs, and PSUs issuable to any participant under this plan shall not exceed (1%) of the issued and outstanding shares at the time of the award.

The outstanding share purchase options as of July 31, 2023 are summarized as follows:

Date of Grant	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable
August 26, 2019	August 26, 2024	$ 0.05	400,000	400,000
December 18, 2020	December 18, 2025	$ 0.05	2,550,000	2,550,000
August 4, 2019	August 4, 2026	$ 0.12	3,900,000	3,900,000
October 25, 2021	October 25, 2026	$ 0.12	3,850,000	3,850,000
February 7, 2023	February 7, 2027	$ 0.07	2,000,001	1,333,333
February 21, 2023	February 22, 2027	$ 0.07	350,000	233,334
April 5, 2023	April 5, 2027	$ 0.085	350,000	233,334
February 22, 2023	February 22, 2028	$ 0.05	10,940,000	-
			24,340,001	12,500,002

The weighted average share price of the Company on exercise of options was $Nil (2022 - $0.07).

The following table reflects the share purchase options that could be exercisable for an equal number of common shares:

	July 31, 2023		July 31, 2022	
	Number of options	**Weighted Average Exercise Price**	Number of options	Weighted Average Exercise Price
Balance, beginning of year	13,400,001	$ 0.09	7,800,000	$ 0.05
Granted	10,940,000	$ 0.05	11,550,001	$ 0.11
Exercised	-	-	(1,400,000)	$ 0.05
Expired	-	-	(2,450,000)	$ 0.05
Cancelled	-	-	(2,100,000)	$ 0.09
Balance, end of year	24,340,001	$ 0.07	13,400,001	$ 0.09
Exercisable	12,500,000	$ 0.05	11,600,001	$ 0.10

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES – continued

On February 22, 2023, the Company granted 10,940,000 stock options, with an exercise price of $0.05, to management and consultants of the Company. The stock options vest 1/3 on the first anniversary date of the grant, 1/3 on the second anniversary and 1/3 on the third anniversary date of the grant. The options expire on February 22, 2028.

On August 4, 2021, 5,000,000 stock options, with an exercise price of $0.12, were granted to management and consultants of the Company. The stock options vest immediately and expire on August 4, 2026.

On October 25, 2021, granted 3,850,000 stock options, with an exercise price of $0.12, to management, consultants, and directors of the Company. The stock options vest immediately and expire October 25, 2026.

On February 4, 2022, the Company granted 2,000,001 stock options, with an exercise price of $0.07, to management and consultants of the Company. The stock options vest 1/3 on grant date, 1/3 on the first anniversary date of the grant, and 1/3 on the second anniversary date of the grant. The options expire on February 4, 2027.

On February 21, 2022, the Company granted 350,000 stock options, with an exercise price of $0.07, to a consultant of the Company. The stock options vest 1/3 on grant date, 1/3 on the first anniversary date of the grant, and 1/3 on the second anniversary date of the grant. The options expire on February 21, 2027.

On April 5, 2022, the Company granted 350,000 stock options, with an exercise price of $0.085, to a consultant of the Company. The stock options vest 1/3 on grant date, 1/3 on the first anniversary date of the grant, and 1/3 on the second anniversary date of the grant. The options expire April 5, 2027.

During the year ended July 31, 2023, the Company recorded $121,345 (July 31, 2022 - $1,038,745) in share-based compensation based on the vesting provisions of the granted options.

The following weighted-average assumptions were used for the Black-Scholes Option Pricing Model of stock options granted:

	July 31, 2023	July 31, 2022
Risk free interest rate	3.40%	1.20%
Expected life of options	5 years	5 years
Annualized stock price volatility	134.42%	133.37%
Expected dividend yield	0%	0%

The weighted average remaining contractual life of options outstanding at July 31, 2023 was 3.70 years (July 31, 2022 - 4 years).

d) Long-term incentive Plan

i. RSU's

On February 22, 2023, the Company granted an additional 3,000,000 RSU's to certain directors. Under the RSU plan, the directors will receive the Company's common shares at no cost at the end of the vesting period, which is one year. At July 31, 2023, no RSU's had vested. The RSU value is determined based on the fair value of the Company's common shares at the grant date and amortized over the vesting period.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES – continued

On February 7, 2022, the Company granted 4,666,667 RSU's to certain directors and executive employees. Under the RSU plan, the directors will receive the Company's common shares at no cost at the end of the vesting period, which is one year. The RSU's issued to executive employees, vest based on achieving annual performance milestones. At July 31, 2023 all RSU's have vested. The RSU value is determined based on the fair value of the Company's common shares at the grant date and amortized over the vesting period. The Company recognizes the share-based compensation expense over the vesting terms.

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As at July 31, 2023 2,041,667 RSU's, valued at $153,125 were converted into shares.

All RSU's expire 10 years after being granted.

The number of RSU's outstanding at July 31, 2023 and July 31, 2022, is as follows:

	Number of RSU Awards
Balance, July 31, 2021	-
Granted	4,666,667
Balance, July 31, 2022	4,666,667
Granted	3,000,000
Redeemed	(2,041,667)
Balance, July 31, 2023	5,625,000
Redeemable	2,625,000

For the year ended July 31, 2023, the Company recorded $215,822 (2022 - $166,849), respectively, as a share-based compensation expense relating to RSU's.

ii. PSU's

On February 7, 2022, the Company granted 800,000 PSU's to non-executive directors as part of their compensation. Under the PSU plan executive employees will receive the Company's common shares at no cost at the end of the vesting period which is based on achieving annual performance milestones during the specified vesting period. The PSU value is determined based on the fair value of the Company's common shares at the grant date and amortized over the vesting period. The Company recognizes the share-based compensation expense over the vesting terms.

On November 17th, 2022, the Company canceled 800,000 PSU shares, granted on February 7, 2022.

The number of PSU's outstanding at July 31, 2023 and July 31, 2022, is as follows:

	Number of PSU Awards
Balance, July 31, 2021	-
Granted	800,000
Balance, July 31, 2022	800,000
Cancelled	(800,000)
Balance, July 31, 2023	-

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES – continued

For the year ended July 31, 2023, the Company recorded $15,123 (2022 - $28,603) respectively, as share-based compensation expense relating to PSU's.

iii. DSU's

On February 22, 2023, the Company granted an additional 4,000,000 DSU's to non-executive directors. Under the DSU plan those directors granted DSU's will receive common shares at no cost at the end of the vesting period, which is one year. The DSU value is based on the fair value of the Company's common shares at the grant date and amortized over the vesting period.

On February 7, 2022, the Company granted 3,428,574 DSU's to non-executive directors as part of their compensation. Under the DSU plan, those directors granted DSU's will receive common shares at no cost at the end of the vesting period, which is one year. As at July 31, 2023, all DSU's have vested. The DSU value is determined on the fair value of the Company's common shares at the grant date and is amortized over a period of one year. The Company recognizes the share-based compensation expense over the vesting terms.

The number of DSU's outstanding at July 31, 2023 and July 31, 2022, is as follows:

	Number of DSU Awards
Balance, July 31, 2021	-
Granted	3,428,574
Balance, July 31, 2022	3,428,574
Granted	4,000,000
Balance, July 31, 2023	7,428,574
Redeemable	3,428,574

For the year ended July 31, 2023, the Company recorded $178,121 (2022- $122,583) as share-based compensation.

e) Reserves

Equity reserve records items recognized as share-based compensation and allocation of the value of stock options and warrants until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital.

The values recorded to reserves for stock options and warrants are transferred to deficit on expiration or cancellation of such stock options and warrants.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2023	July 31, 2022
Accounts payables	$ 134,546	$ 734,996
Accrued liabilities	235,939	77,064
	$ 370,485	$ 812,060

(Expressed in Canadian Dollars)

9. FLOW THROUGH PREMIUM LIABILITY

	July 31, 2023	July 31, 2022
Balance, beginning of year	$ 366,780	$ 328,075
Added:		
July 24, 2023, private placement (Note 7)	88,500	-
December 19, 2022 private placement (Note 7)	186,250	-
December 22, 2021 private placement (Note 7)	-	461,021
July 25, 2022, private placement (Note 7)	-	195,308
Amortization of flow through premium liability	(438,803)	(617,624)
Balance, end of year	$ 202,727	$ 366,780

As at July 31, 2023 Company is required to incur further Canadian exploration expenditures of $946,186 no later than December 31, 2024 pursuant to the terms of the subscription agreements.

The flow-through premium liability is to be amortized to the statement of loss and comprehensive loss pro-rata with the amount of qualifying flow-through expenditures incurred.

Flow through expenditures
The Company is able to continue to incur exploration expenses beyond the deadlines. However, it could be subject to a penalty of 4-5% per annum on the balance required to be spent on its exploration work. The Company intends to fulfill its flow-through commitments within the given time constraints. During the year the Company recorded an expense of $16,164 (2022 - $nil) in Part XII.6 interest.

10. INCOME TAXES

Reconciliation of income tax computed at statutory rates to the reported income tax provision is as follows:

	July 31, 2023	July 31, 2022
Loss before income taxes	$ (1,958,806)	$ (3,400,680)
Canadian statutory rate	27%	27%
Income tax benefit computed at Canadian statutory rate	(528,878)	(918,184)
Permanent differences	28,294	242,479
Share issue cost	(37,655)	(61,242)
Tax benefits not recognized	538,239	736,947
Income taxes payable	$ -	$ -

The Company has non-capital losses carried forward of approximately $16,755,080 (2022: 17,538,285) expiring in various years to 2043, that may be available to offset future taxable income, which commence expiring in 2027.

(Expressed in Canadian Dollars)

10. INCOME TAXES - continued

Tax losses, expire as follows:

Years	
2027	$ 90,466
2028	130,858
2029	462,824
2030	613,562
2031	477,239
2032	653,482
2033	602,303
2034	945,550
2035	1,541,466
2036	1,049,588
2037	960,221
2038	1,385,388
2039	890,130
2040	666,853
2041	1,579,713
2042	2,711,959
2043	1,993,478
	$ 16,755,080

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, except as noted under equity risk. Its objectives, polices and processes for managing those risks or the methods used to measure them from previous year have not changed.

General Objectives, Policies and Processes:
The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receives quarterly reports from the Company's Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continue

a) Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk:
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

Interest Rate Risk:
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be low.

Equity Price Risk:
Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets.

b) Credit Risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents. The majority of cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at July 31, 2023 relating to cash of $2,098,532 and other receivables of $104,937. All cash, cash equivalents and short-term deposits are held at the Royal Bank of Canada.

c) Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that it has sufficient cash on demand to meet short-term business requirements, after taking into account the Company's holdings of cash.

The Company's cash is invested in business accounts and is available on demand. Funding risk is the risk that the Company may not be able to raise equity financing in a timely manner and on terms acceptable to management. There are no assurances that equity financing will be available when, and if, the Company requires additional financing. The Company considers liquidity risk to be high.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities as at July 31, 2023 and July 31, 2022.

	Less than 3 months	3 – 12 months	Total
July 31, 2023			
Trade payables	$ 134,546	$ -	$ 134,546
July 31, 2022			
Trade payables	$ 734,996	$ -	$ 734,996

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

d) Fair value of financial instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair value:

	Level 1	Level 2	Level 3	Total
July 31, 2023				
Cash and Cash equivalents	$ 2,098,532	$ -	$ -	$ 2,098,532
July 31, 2022				
Cash and Cash equivalents	$ 3,768,063	$ -	$ -	$ 3,768,063

Level 1 - quoted prices (unadjusted) in active markets

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The carrying value of the Company's financial instruments approximates fair value.

12. CAPITAL RISK MANAGEMENT

It is the Company's objective when managing capital to safeguard its ability to continue as a going concern in order that it may continue to explore and develop its mineral properties and investment in power supply products companies and continue its operations for the benefit of its shareholders.

The Company manages its equity (which includes common shares, share-based payment reserve and accumulated deficit) as capital. The Company intends to expend existing working capital by carrying out its planned acquisition, exploration and development activities on mineral properties and continuing to pay administrative costs.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. In order to maintain or adjust the capital structure the Company may issue new shares. In order to facilitate analysis and management of its capital requirements, the Company prepares and updates annual budgets (as needed) to ensure that its acquisition and exploration operations can continue to progress. Budgets, once finalized, are approved by the Board of Directors.

The Company's capital consists of cash and share capital. There have not been any changes to the Company's capital management objective, policies and processes compared to the prior year. The Company is not subject to any externally imposed capital requirements.

13. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all executive employees, directors and officers of the Company to be key management personnel. The following are related party transactions not disclosed elsewhere in the financial statements.

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS - continued

		July 31, 2023		July 31, 2022
Management Fees paid to directors or companies related to directors and key management	$	180,000	$	480,245
Compensation to key management personnel		723,378		424,768
Share based compensation		490,578		1,204,614
	$	1,393,956	$	2,109,627

Management fees were paid to M & M Corporation, a company controlled by Jacqueline Michaels, the Company's Controller, and AJS Management Corporation, a company controlled by Paul Gill, the Company's Executive Chair.

Included in accounts payable is $6,847 (2022 - $11,993) owing to executive employees, directors or companies controlled by directors or key management.

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

		July 31, 2023		July 31, 2022
Shares issued to acquire resource property	$	75,000	$	-
Transfer from reserves on exercise of stock options	$	-	$	68,438
Transfer from reserves on exercise of warrants	$	-	$	12,966
Flow through premium liability	$	274,750	$	656,330
Issuance of common shares to brokers	$	12,500	$	-
Exploration and evaluation assets in accounts payable	$	59,755	$	648,483
Exercise of RSU	$	153,125	$	-
Exploration and evaluation advances applied to exploration and evaluation assets	$	389,429	$	-

15. SUBSEQUENT EVENT

On September 14, 2023 833,333 RSU's were converted into common shares.