Condensed Consolidated Interim Financial Statements

For the Nine Months Ended February 28, 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated 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 condensed consolidated interim financial statements of iMetal Resources Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

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

iMetal Resources Inc.
Condensed Consolidated Interim Statements of Financial Position as at
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Notes		February 28, 2023		May 31, 2022
ASSETS					
Current					
Cash		$	1,510,647	$	1,984,495
Amounts receivable			65,981		19,359
Prepaids			172,809		67,191
			1,749,437		2,071,045
Non-current					
Exploration and evaluation assets	3		5,244,356		4,379,954
Equipment	4		6,564		8,469
TOTAL ASSETS		**$**	**7,000,357**	**$**	**6,459,468**
LIABILITIES					
Current					
Accounts payable and accrued liabilities		$	131,689	$	47,702
Due to related parties	5		17,900		-
Flow-through premium liability	8		91,352		187,291
Note payable	6		9,919		9,545
Total liabilities			250,860		244,538
SHAREHOLDERS' EQUITY					
Capital stock	7		47,831,364		46,179,894
Reserves	7		4,608,201		4,638,719
Deficit			(45,690,068)		(44,603,683)
Total shareholders' equity			6,749,497		6,214,930
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**7,000,357**	**$**	**6,459,468**

Nature of operations and going concern – Note 1
Contingencies – Note 13
Subsequent events- Note 14

These condensed consolidated interim financial statements were approved by the Board of Directors on April 28, 2023. They were signed on the Company's behalf by:

"Scott Davis"	*"Saf Dhillon"*
Director	Director

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

iMetal Resources Inc.
Condensed Consolidated Interim Statements of Financial Position as at
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

		Three months ended February 28,		Nine months ended February 28,	
	Notes	**2023**	**2022**	**2023**	**2022**
OPERATING EXPENSES					
Consulting	5	$ 94,047	$ 63,500	$ 250,232	$ 289,586
Depreciation	4	635	907	1,905	2,721
Interest		123	123	374	374
Marketing		648,809	11,450	718,309	101,717
Office and administration		25,439	2,098	54,892	26,148
Property investigation		2,778	-	6,969	-
Professional fees	5	37,562	25,544	57,769	74,975
Share-based payments	5&7	50,890	-	112,934	4,000
Transfer agent and listing fees		31,069	32,525	56,951	50,281
Travel and promotion		19,664	5,739	49,157	8,396
Loss from operations		(911,016)	(141,886)	(1,309,492)	(558,198)
OTHER ITEMS					
Amortization of flow-through premium liability	8	62,149	-	195,914	16,170
Gain on debt settlement	3&7	-	25,243	27,193	60,177
		62,149	25,243	223,107	76,347
Loss and comprehensive loss for the period		**$ (848,867)**	**$ (116,643)**	**$ (1,086,385)**	**$ (481,851)**
Loss per common share – basic and diluted		$ (0.02)	$ (0.01)	$ (0.03)	$ (0.05)
Weighted average number of common shares outstanding - basic and diluted		39,600,856	10,294,017	38,017,973	10,346,063

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

iMetal Resources Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the Nine Months Ended February 28, 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		$ (1,086,385)	$ (481,851)
Items not affecting cash:			
Gain on debt settlement		27,193	60,177
Depreciation	4	1,905	2,721
Interest expense	6	374	374
Share-based payments	7	112,934	4,000
Amortization of FT Premium liability	8	(195,914)	(16,170)
Changes in non-cash working capital items:			
Amounts receivable		(46,622)	12,216
Prepaids		(105,618)	81,451
Accounts payable and accrued liabilities		(35,387)	(262,621)
Due to related parties	5	(17,900)	(883)
Net cash used in operating activities		(1,345,420)	(600,586)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation assets		(720,421)	(160,479)
Net cash used in investing activities		(720,421)	(160,497)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issuance	7	602,000	-
Share issue costs	7	(42,140)	-
Proceeds from warrants exercised	7	1,032,133	-
Net cash provided in financing activities		1,591,993	-
Change in cash for the period		(473,848)	(761,065)
Cash, beginning of the period		1,984,495	882,471
Cash, end of the period		$ 1,510,647	$ 121,406

Supplemental cash flow Information (Note 12)

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

iMetal Resources Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Capital Stock				
	Number of shares	Amount	Reserves	Deficit	Total
Balance – May 31, 2021	**10,274,063**	**$ 42,926,281**	**$ 3,875,598**	**$ (42,946,992)**	**$ 3,854,887**
Share issued for debt settlement	72,000	14,400	-	-	14,400
Share-based payments	-	-	4,000	-	4,000
Loss and comprehensive loss for the period	-	-	-	(481,851)	(481,851)
Balance – February 28, 2022	**10,346,063**	**$ 42,940,681**	**$ 3,889,598**	**$ (43,428,843)**	**$ 3,391,436**

Balance – May 31, 2022	**37,179,397**	**$ 46,179,894**	**$ 4,638,719**	**$ (44,603,683)**	**$ 6,214,930**
Shares issued for private placement	2,150,000	602,000	-	-	602,000
Shares issued for property acquisition	200,000	16,000	-	-	16,000
Shares issued for warrants exercised	5,160,666	1,195,585	(163,452)	-	1,032,133
Finder's warrants	-	-	20,000	-	20,000
Share issuance costs	-	(62,140)	-	-	(62,140)
Flow-through premium	-	(99,975)	-	-	(99,975)
Share-based payments	-	-	112,934	-	112,934
Loss and comprehensive loss for the period	-	-	-	(1,086,385)	(237,518)
Balance – February 28, 2023	**44,690,063**	**$ 47,831,364**	**$ 4,608,201**	**$ (45,690,068)**	**$ 6,749,497**

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

1. Nature of Operations and Going Concern

The Company is engaged in the exploration and evaluation of mineral properties in Ontario and Quebec, Canada and has not yet determined whether these properties contain National Instrument 43-101 compliant ore reserves that are economically recoverable. The exploration programs undertaken and proposed constitute an exploratory search and the evaluation of historic resources. There is no assurance that the Company will be successful in its search and evaluation. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and evaluation programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts written-off, and do not necessarily represent present or future values. The recovery of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and evaluation of such a property or properties and ultimately upon future profitable production from a property or properties or the realisation of proceeds from the disposition thereof. At February 28, 2023, the Company has a working capital of $1,498,577 (May 31, 2022 - $1,826,507), incurred losses since inception and at February 28, 2023 has an accumulated deficit of $45,690,068 (May 31, 2022 - $44,603,683).

The Company requires additional funds to continue operations, to explore its mineral properties and to maintain its property interests. Management is actively seeking additional financing and, while it has successfully done this in the past, there is no assurance that it will continue to be able to do so in the future. These matters raise significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

The head office, principal address, registered address and records office of the Company are located at 550, 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6. The Company's shares are traded on the Tier 2 of the TSX Venture Exchange ("TSX-V") under the symbol "IMR.V" and on the OTCQB under the symbol "ADTFF" as well as on Frankfurt Exchange under the symbol "A7V".

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, have 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 results of operations at this time.

2. Significant Accounting Policies

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for interim information, specifically International Accounting Standards ("IAS") 34 - Interim Financial Reporting. In addition, these condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") in effect at February 28, 2023 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended May 31, 2022.

In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ending May 31, 2023.

Basis of Presentation

These condensed consolidated interim financial statements have been prepared on a historical basis except for items at fair value and have been prepared using the accrual basis of accounting, except cash flow information. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

Basis of Consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and the entities controlled by the Company. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated. These condensed consolidated interim financial statements include the accounts of iMetal Resources Inc. and its wholly-owned subsidiary Risorse Dei Minerali Naturali S.R.L ("RMN"), a company incorporated in the province of Grosseto, Italy.

Significant Accounting Judgments, Estimates and Assumptions

Judgements, estimates and assumptions are continually 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. The significant judgments, estimates and assumptions made by management in applying the Company's accounting policies were the same as those that applied to the Company's audited consolidated financial statements for the year ended May 31, 2022.

New accounting standards and policies

IAS 16, Property, Plant and Equipment - Proceeds before Intended Use

Effective for periods beginning on or after January 1, 2022, the amendment to IAS 16 prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in profit or loss. The Company does not expect the adoption of this new amendment to have a significant impact on the condensed consolidated interim financial statements.

IAS 37, Provisions, Contingent Liabilities and Contingent Assets

Effective for periods beginning on or after January 1, 2022, the changes in Onerous Contracts — Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the adoption of this new amendment to have a significant impact on the condensed consolidated interim financial statements.

(Expressed in Canadian Dollars)

3. Exploration and Evaluation Assets

	Gowganda West	Ghost Mountain	Kerrs Gold	Mosher Lake	Carheil	Temagami North	Other Properties	Total
Balance – May 31, 2021	**$ 2,310,137**	**$ 164,176**	**$ -**	**$ 278,731**	**$ 370,547**	**$ 7,162**	**$ 7,893**	**$ 3,138,646**
Acquisition costs:	-	475	1,005,000	-	-	-	-	1,005,475
Exploration costs:								
Assays, staking and mapping	14,561	-	651	-	-	-	-	15,212
Consulting	47,685	36,282	880	-	-	-	-	84,847
Equipment rental and field work	27,599	-	-	-	-	-	-	27,599
Geological/Geophysical	90,549	-	700	-	-	-	2,897	94,146
Office, miscellaneous and travel	20,491	-	-	-	-	-	-	20,491
Rent	700	-	-	-	-	-	-	700
Write off property	-	-	-	-	-	(7,162)	-	(7,162)
	201,585	36,757	1,007,231	-	-	(7,162)	2,897	1,241,308
Balance – May 31, 2022	**$ 2,511,722**	**$ 200,933**	**$ 1,007,231**	**$ 278,731**	**$ 370,547**	**$ -**	**$ 10,790**	**$ 4,379,954**
Acquisition costs:	4,960	-	16,400	-	-	-	-	21,360
Exploration costs:								
Assays, staking and mapping (recovery)	75,658	6,647	-	-	500	-	-	82,805
Consulting	200,435	11,384	64,084	144	8,596	-	144	284,787
Claims leases and permits	13,594	-	-	-	-	-	-	13,594
Drilling	422,025	-	-	-	-	-	-	422,025
Geological/Geophysical	21,929	-	-	-	-	-	-	21,929
Office, miscellaneous and travel	8,494	896	-	-	512	-	-	9,902
Rent	8,000	-	-	-	-	-	-	8,000
	755,095	18,927	80,484	144	9,608	-	144	864,402
Balance – February, 2023	**$ 3,266,817**	**$ 219,860**	**$ 1,087,715**	**$ 278,875**	**$ 380,155**	**$ -**	**$ 10,934**	**$ 5,244,356**

(Expressed in Canadian Dollars)

Ontario, Canada

Gowganda West Property

During the year ended May 31, 2017, the Company entered into an option agreement for mineral properties in Gowganda, Ontario. The option agreement included cash payments totalling $200,000 and share issuances totalling 80,000 common shares.

During the year ended May 31, 2021, the Company amended the residual Net Smelter Return (NSR) royalties to the underlying property vendors for the Gowganda West, Mosher Lake and Ghost Mountain properties:

- Gowganda West NSR remains at 3% with the Company now holding the option to buy back 50% reducing the NSR to 1.5% at any time up to production for $1,000,000;
- Mosher Lake NSR remains at 2% with the Company now holding the option to buy back 50% reducing the NSR to 1.0% at any time up to production for $1,000,000;
- Ghost Mountain NSR remains at 3% with the Company now holding the option to buy back 50% reducing the NSR to 1.5% at any time up to production for $1,000,000;

Each of the four underlying property vendors agreed to modify the existing NSR agreements to the new terms in exchange for a cash payment of $5,000 (paid) and the issuance of 30,000 (issued) common shares of the Company to each.

Ghost Mountain Property

During the year ended May 31, 2021, the Company acquired the substantial ownership of Ghost Mountain Property as per the amended option agreement mentioned in Note 3 *Gowganda West Property.*

Mosher Lake Property

During the year ended May 31, 2021, the Company acquired the substantial ownership of Mosher Lake Property as per the amended option agreement mentioned in Note 3 *Gowganda West Property.*

Kerrs Gold Property

On January 24, 2022, the Company entered into a purchase option agreement (the "Option Agreement") with Gravel Ridge Resources Ltd. And 1544230 Ontario Inc. (collectively, the "Vendors") pursuant to which it would be granted the right to acquire the Kerrs Gold Deposit ("Deposit").

To acquire the Deposit, the Company was required to issue 3,500,000 common shares (the "Consideration Shares") and complete a series of four cash payments totaling $210,000 to the Vendors. The transaction details as below:

Due date	Cash	Common shares
Upon receipt of the TSXV's approval on April 1, 2022	$60,000 (Paid)	3,500,000 (issued)
On April 1, 2023	$50,000 (Paid March 31, 2023)	-
On April 1, 2024	$40,000	-
On April 1, 2025	$60,000	-

Following completion of the above cash payments and share issuances, the Company acquired the Deposit and granted to the Vendors a three percent royalty (the "Royalty") on net smelter returns from the Deposit. The Company may acquire 2% of the Royalty from the Vendors at any time by completing a one-time cash payment of $2,000,000.

On September 28, 2022, the Company further completed and expanded its existing option agreement with Gravel Ridge Resources Ltd. And 1544230 Ontario Inc. (collectively, the "Vendors") to expand the scope of the Kerrs Gold Deposit by acquiring an additional 137 hectares of the Property. As a result of the extension of acquisition, the

(Expressed in Canadian Dollars)

Company issued the Vendors a further 200,000 common shares at a fair market value of $16,000 and reimbursed the Vendor for the expenses of $48,130 associated with maintaining the additional area.

Temagami North Property

The Company holds several claims on the Temagami North Property. During the year ended May 31, 2022, the Company terminated the option with the underlying concession holder and has no further obligation with respect to the project. There were $7,192 in historical capitalized costs associated with this project which were written off during the year ended May 31, 2022.

Quebec, Canada

Carheil Property

During the year ended May 31, 2016, the Company acquired mineral properties (43 claims) in Quebec from Skyworld Holdings Limited ("Skyworld"). The terms of the acquisition include:

- Skyworld would receive $15,000 upon signing of a definitive agreement (paid);
- Skyworld would receive $10,000 each year for five years for a total of $50,000 starting in the year following the year of the initial $15,000 payment and the signing of the definitive agreement (paid in full);
- The Company would issue 16,000 shares to Skyworld upon the closing of the transaction (issued at a value of $20,000);
- The Company would issue 20,000 additional shares per year each year for three years for a total of 60,000 shares, starting in the year following the year after the closing of the transaction (issued in full at a value of $75,000); and
- Finder's fees were paid by issuing 7,600 shares valued at $9,500 to an arm's length third party in connection with this transaction.

During the year ended May 31, 2018, the Company renewed the 54 claims to August 2020 and during the year ended May 31, 2019, the Company renewed the 54 claims to August 2023.

4. Equipment

	Vehicle $
Cost:	
Balance at May 31, 2021, 2022 and February 28, 2028	29,046
Accumulated depreciation:	
Balance at May 31, 2021	(16,949)
Amortizations	(3,628)
Balance at May 31, 2022	(20,577)
Amortizations	(1,905)
Balance at February 28, 2023	(22,482)
Carrying amount:	
May 31, 2022	8,469
February 28, 2023	6,564

5. Related Party Transactions

The Company incurred expenses to related parties during the nine months ended February 28, 2023.

- $Nil (2022 - $Nil) in consulting fees to a company owned by a director of the Company.
- $157,500 (2022 - $108,000) in consulting fees to a company controlled by the Company's chief executive officer and director of the Company.
- $45,701 (2022 - $345,000) in consulting fees capitalized to exploration and evaluation assets to a company controlled by a director of the Company.
- $Nil (2022 - $20,250) in professional fees to a firm previously providing accounting and corporate secretary services where an officer and director of the Company is a partner.
- $19,000 (2022 - $9,000) in consulting fees to a company controlled by an officer of the Company.
- $123,000 (2022 - $nil) in consulting fees, $120,000 capitalized to exploration and evaluation assets and $3,000 expensed to mineral property investigation expenses to a company controlled by **an** officer of the Company.
- $5,000 (2022 - $Nil) in consulting fees to a company controlled by a director of the Company.

As at February 28, 2023, the Company owed Nil (2022 – $5,250) to a company controlled by a director of the Company.

As at February 28, 2023, the Company owed $17,900 (2022 – $Nil) consulting fees to a company controlled by an officer of the Company.

Amounts owing to or from related parties are non-interest bearing and due on demand.

During the period ended February 28, 2023, the Company issued 700,000 (May 31, 2022 - 1,600,000) stock options with a fair value of $70,059 (May 31, 2022- $323,201) to related directors and officers of the Company. During the period ended February 28, 2023, $112,934 in total (May 31, 2022 - $412,121) has been included in share-based compensation.

6. Note Payable

In March 2013, the Company entered into a promissory note for $5,000 that accrues interest at 10% per annum. As at February 28, 2023, the Company had recorded interest payable of $4,919 (May 31, 2022 - $4,545) and recognized and accrued $374 interest expense.

7. Equity

a) Share capital

Authorized share capital consists of an unlimited number of common shares without par value.

As at February 28, 2023, the Company had 44,690,063 shares issued and outstanding.

<u>During the period ended February 28, 2023, the Company:</u>

- Issued 200,000 common shares at a fair value of $16,000 for the property acquisition of Kerrs Gold Property (Note 3).

- Completed its non-brokered flow-through private placement by issuing 2,150,000 units for gross proceeds $602,000. The Company incurred finders' fees totaling $42,140 and issued 150,500 finders' warrants with a fair value of $20,000 upon closing of the financing. The finders' warrants are exercisable at a price of $0.35 until December 30, 2024. A flow-through premium liability of $99,975 was recognized with respect to these flow-through shares. Please refer to Note 8 for the details of flow through premium liability.

- Issued 5,160,666 shares pursuant to the exercise of 5,160,666 warrants at a price of $0.20 per share for gross proceed $1,032,133.

<u>During the year ended May 31, 2022, the Company:</u>

- Settled $54,643 of debt by the issuance of 72,000 common shares with a value of $14,400 from the date of issuance at a price of $0.20 per share and a cash payment of $15,000, resulting in a gain on debt settlement of $25,243.

- Issued 3,500,000 common shares at a fair value of $945,000 for the property acquisition of Kerrs Gold Property (Note 3).

- Completed its non-brokered private placement by issuing 16,666,667 units for gross proceeds of $2,000,000. Each unit consists of one common share and one share purchase warrant exercisable for a period of 24 months from the date of issue at a price of $0.20 per share. The Company paid cash finder's fees of $127,744 and issued an aggregate total of 1,064,533 finder's warrants at a fair value of $290,000 under the same terms upon closing of the financing.

- Completed its non-brokered flow-through private placement by issuing 6,666,667 units for gross proceeds $1,000,000. Each unit consists of one flow-through common share and one share purchase warrant exercisable for a period of 24 months from the date of issue at a price of $0.20 per share. The private placement included participation by Funds Managed by Sprott Asset Management LP, which subscribed for flow-through units and agreed to waive entitlement to 2,644,669 warrants they would otherwise have been entitled to receive in connection with their subscription. As a result, a total of 4,021,998 warrants were issued to subscribers in connection with the private placement. The Company incurred finders' fees totaling $33,804 and issued 225,360 finders' warrants with a fair value of $61,000 under the same terms upon closing of the financing. A flow through premium liability of $193,239 was recognized with respect to these flow through shares. Please refer to Note 8 for the details of flow through premium liability.

a) Share purchase options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, officers, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the option price of any common share in respect of which an option may be granted under the stock option plan shall be fixed by the Board of Directors but shall be not less than the minimum price permitted by the Exchange. The options vest immediately at the time of grant.

During the period ended February 28, 2023, the Company granted 1,050,000 (May 31, 2022 - 2,170,000) stock options at a weighted average exercise price of $0.11 (May 31, 2022 - $0.20) per share and recorded share-based payments of $89,000 (May 31, 2022 – $412,121).

(Expressed in Canadian Dollars)

The continuity of share purchase options is as follows:

	Outstanding Options	Weighted Average Exercise Price $
Balance, May 31, 2021	639,000	0.81
Granted	2,170,000	0.20
Expired	(50,000)	0.90
Balance, May 31, 2022	2,759,000	0.33
Granted	1,050,000	0.11
Expired	(84,000)	1.08
Balance, February 28, 2023	3,725,000	0.33

At February 28, 2023, the following incentive stock options were outstanding to directors, officers and consultants:

Number of Options Outstanding	Exercise Price $	Weight Average remaining in years	Expiry Date	Number of Options Exercisable
4,000	1.875	0.11	April 8, 2023	4,000
12,000	1.875	0.25	May 31, 2023	12,000
2,000	2.125	0.27	June 8, 2023	2,000
507,000	0.700	2.72	November 18, 2025	507,000
2,000,000	0.330	4.11	April 8, 2027	2,000,000
150,000	0.380	4.13	April 14, 2027	131,507
850,000	0.075	4.58	September 28, 2027	850,000
200,000	0.240	4.85	January 4, 2028	200,000
3,725,000				**3,706,507**

The weighted average remaining life of the options at February 28, 2023 is 4.05 years (May 31, 2022 – 4.47 years).

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended February 28, 2023:

	Period ended February 28, 2023	Year ended May 31, 2022
Risk-fee interest rate	1.54%	1.36%
Expected life of options	5 years	1 year
Expected annualized volatility	150.77%	154.15%
Expected dividend rate	-	-
Fair value per option	$0.085	$0.20

(Expressed in Canadian Dollars)

b) Warrants

The continuity of share purchase warrants for the period ended February 28, 2023 is as follows:

	Outstanding Warrants	Weighted Average Exercise Price $
Balance, May 31, 2021	5,713,401	1.05
Granted – warrants	21,978,558	0.20
Expired- warrants	(177,140)	2.50
Balance, May 31, 2022	27,514,819	0.35
Granted – warrants	150,500	0.35
Exercised- warrants	(5,160,666)	0.20
Expired- warrants	(3,891,081)	1.00
Balance, February 28, 2023	18,613,572	0.27

At February 28, 2023, the following warrants were outstanding:

Number of Warrants	Weight Average remaining in years	Exercise Price ($)	Expiry Date
1,540,000	0.25	1.00	May 31, 2023
97,580	0.25	1.00	May 31, 2023
7,600	0.25	1.00	May 31, 2023
14,789,667	1.11	0.20	April 7, 2024
1,338,332	1.11	0.20	April 7, 2024
464,533	1.11	0.20	April 7, 2024
225,360	1.11	0.20	April 7, 2024
150,500	1.84	0.35	December 30, 2024
18,613,572			

The weighted average remaining life of the warrants at February 28, 2023 is 1.04 years (May 31, 2022– 1.59 years).

The following weighted average assumptions were used for the Black-Scholes valuation of finders' warrants granted for the period ended February 28, 2023:

	Period ended February 28, 2023	Year ended May 31, 2022
Risk-fee interest rate	1.68%	0.55%
Expected life of warrants	2	2
Expected annualized volatility	131.91%	170.02%
Expected dividend rate	-	-
Fair value per option	0.13	0.27

(Expressed in Canadian Dollars)

8. Flow through Share Premium Liability

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuance.

Balance at May 31, 2021	**$**	**16,170**
Premium liability incurred on flow-through shares		193,239
Amortization of flow-through liability		(22,118)
Balance at May 31, 2022	**$**	**187,292**
Premium liability incurred on flow-through shares		99,975
Amortization of flow-through liability		(195,915)
Balance at February 28, 2023	**$**	**91,352**

9. Segmented Information

The Company currently conducts all of its operations in Canada in one business segment being the acquisition and exploration of resource properties.

10. Capital Management

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

To maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and adjusts it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the period.

11. Financial Instruments and Financial Risk Factors

Financial instruments

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

- Level 1: Unadjusted quoted price 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.

The fair value hierarchal classification of the Company's financial instruments measured at fair value for the period ended February 28, 2023, is as follows:

February 28, 2023	Level 1	Level 2	Level 3	Total
Cash	$ 1,510,647	$ -	$ -	$ 1,510,647

May 31, 2022	Level 1	Level 2	Level 3	Total
Cash	$ 1,984,495	$ -	$ -	$ 1,984,495

Cash is measured using Level 1 inputs. The Company does not have any financial instruments that are measured using Level 2 or Level 3 inputs. During the period ended February 28, 2023, there were no transfers between Level 1, Level 2, and Level 3 classified assets and liabilities.

The Company's financial instruments are exposed to certain financial risks, including liquidity risk and foreign exchange risk. The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, note payable and due to related parties. The fair value of these financial instruments approximates their carrying values due to their short term to maturity.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. To the extent that the Company does not believe it has sufficient liquidity to meet obligations, it will consider securing additional equity funding, or engage in negotiations to extend terms with creditors. The Company manages liquidity risk through the management of its capital structure (see Note 10).

Foreign Exchange Risk

The Company raises its capital in Canadian dollars. The Company holds its cash mainly in Canadian dollars. The Company minimizes its exposure to foreign currency risk by minimizing the amount of funds in currencies other than the Canadian dollar. The Company does not undertake currency hedging activities. The Company continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

12. Supplemental Cash Flow Information

	Period ended February 28, 2023 $	**Year ended May 31, 2022 $**
Non-Cash Investing and Financing Activities:		
Finders' warrants issued in private placement	20,000	351,000
Common shares issued pursuant to mineral property agreements	16,000	945,000
Accounts payable included in exploration and evaluation assets	127,981	6,608
Gain on debt settlement	27,193	60,177
Shares issued to settle debt	-	14,400

13. Contingencies

During the year ended May 31, 2020, the Company received a lawsuit in the Supreme Court of British Columbia from a shareholder citing that the Company terminated a consulting agreement between the shareholder and the Company and is seeking damages for breach of contract. However, in the opinion of management, the claim is without merit and the outcome is unknown. No provision has been recorded for this lawsuit.

14. Subsequent Events

On March 31, 2023, the Company completed its non-brokered flow-through private placement ("Non-brokered FTPP") by issuing 2,000,000 Quebec flow-through units at $0.25 per unit for gross proceeds of $500,000. Each Quebec flow-through unit consists of one common share of the Company and one common share purchase warrant exercisable to acquire an additional common share at $0.35 per unit until March 31, 2025. The Company incurred finders' fees totaling of $30,000 and issued 120,000 warrants under the same terms upon closing of the financing to an arm's length third party introduced the subscriber to the Company. All securities issued in connection with the Non-brokered FTPP are subject to a statutory hold period until August 1, 2023, in accordance with applicable securities laws. A flow-through premium liability of $94,000 was recognized with respect to these flow through shares.

On April 6, 2023, the Company completed its non-brokered flow-through private placement ("Non-brokered FTPP") by issuing 3,125,000 flow-through units at $0.25 per unit for gross proceeds of $781,250. Each flow-through unit consists of one common share of the Company and one common share purchase warrant exercisable to acquire an additional common share at $0.30 per unit until April 6, 2025. The Company incurred finders' fees totaling of $15,000 and issued 60,000 warrants under the same terms upon closing of the financing to an arm's length third party introduced the subscriber to the Company. All securities issued in connection with the Non-brokered FTPP are subject to a statutory hold period until August 7, 2023, in accordance with applicable securities laws. A flow-through premium liability of $30,650 was recognized with respect to these flow through shares.

Subsequent to February 28, 2023, the Company issued 530,000 common shares pursuant to the exercise of 530,000 warrants at a price of $0.20 per share for gross proceed $106,000.