

**BADLANDS RESOURCES INC.
(FORMERLY MINERAL MOUNTAIN RESOURCES LTD.)**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Badlands Resources Inc. (formerly Mineral Mountain Resources Ltd.)

Opinion

We have audited the consolidated financial statements of Badlands Resources Inc. (formerly Mineral Mountain Resources Ltd.) (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of comprehensive loss, changes in equity and cash flows 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 March 31, 2024 and 2023, 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 2 to the financial statements, which indicates that the Company has a history of losses with no operating revenue. As of March 31, 2024, the Company's current liabilities exceeded its current assets by \$2,005,356. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements 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.

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

Yours truly,

A handwritten signature in black ink, appearing to read "DMCL." with a stylized initial "D" that loops around the "M".

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

July 26, 2024

BADLANDS RESOURCES INC.
(FORMERLY MINERAL MOUNTAIN RESOURCES LTD.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
AS AT MARCH 31,

	Note	2024	2023
ASSETS			
Current assets			
Cash		\$ 6,833	\$ 81,600
Accounts receivable		5,024	29,916
Prepaid expenses and deposits	4	64,550	83,542
		76,407	195,058
Non-current assets			
Exploration and evaluation assets	7	11,210,770	10,756,625
Restricted cash	5	-	25,013
Property and equipment	6	1,641	46,768
		11,212,411	10,828,406
Total assets		\$ 11,288,818	\$ 11,023,464
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	5, 8	\$ 1,219,150	\$ 852,762
Amounts due to related parties	11	595,175	428,665
Lease liability – current portion	9	-	51,234
Loans payable	10	267,438	-
Total liabilities		2,081,763	1,332,661
Equity			
Share capital	12	50,283,913	49,998,582
Share subscription proceeds	12	-	213,001
Share-based payments reserve	13	2,629,166	2,507,421
Deficit		(43,706,024)	(43,028,201)
Total equity		9,207,055	9,690,803
Total liabilities and equity		\$ 11,288,818	\$ 11,023,464

Commitments (Note 9)

Contingencies (Note 20)

Subsequent Events (Note 21)

The consolidated financial statements were authorized for issue by the board of directors on July 26, 2024 and were signed on its behalf by:

Nelson Baker

Director

Trevor Thomas

Director

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

BADLANDS RESOURCES INC.
(FORMERLY MINERAL MOUNTAIN RESOURCES LTD.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE YEARS ENDED MARCH 31,

	Note	2024	2023
Expenses			
Consulting fees		\$ 35,519	\$ 5,794
Depreciation	6	43,090	45,552
Interest and accretion	10	17,135	13,544
Management fees	11	489,750	349,000
Media and news dissemination		23,401	19,337
Office and miscellaneous		62,985	96,707
Professional fees	11	151,876	93,407
Rent	9	61,782	53,969
Share-based payments	11, 13	110,584	236,011
Transfer agent and filing fees		48,365	49,192
Loss before items below		(1,044,487)	(962,513)
Interest income		829	2
Foreign exchange		(5,003)	(41,683)
Gain on sale of exploration and evaluation assets	7	50,000	50,000
Gain on debt settlement	11	243,850	-
Other income		14,999	-
Loss and Comprehensive loss for the year		\$ (739,812)	\$ (954,194)
Basic and diluted loss per common share		\$ (0.07)	\$ (0.09)
Weighted average number of common shares outstanding – basic and diluted		11,265,294	10,746,432

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

BADLANDS RESOURCES INC.
(FORMERLY MINERAL MOUNTAIN RESOURCES LTD.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Note	Number of Shares	Share Capital	Share Subscription Proceeds	Share-based Payments Reserve	Deficit	Total Equity
Balance, March 31, 2022		10,354,171	\$ 49,599,852	\$ 7,380	\$ 2,966,871	\$ (42,795,018)	\$ 9,779,085
Private placements	12	587,343	433,140	(7,380)	25,550	-	451,310
Share subscription proceeds		-	-	213,001	-	-	213,001
Share issuance costs	12	-	(34,410)	-	-	-	(34,410)
Share-based payments	13	-	-	-	236,011	-	236,011
Adjustment on expiration of stock options		-	-	-	(721,011)	721,011	-
Loss and comprehensive loss for the year		-	-	-	-	(954,194)	(954,194)
Balance, March 31, 2023		10,941,514	49,998,582	213,001	2,507,421	(43,028,201)	9,690,803
Private placements	12	365,751	292,601	(213,001)	73,150	-	152,750
Share issuance costs	12	-	(7,270)	-	-	-	(7,270)
Share-based payments	13	-	-	-	110,584	-	110,584
Adjustment on expiration of stock options		-	-	-	(61,989)	61,989	-
Loss and comprehensive loss for the year		-	-	-	-	(739,812)	(739,812)
Balance, March 31, 2024		11,307,265	\$ 50,283,913	\$ -	\$ 2,629,166	\$ (43,706,024)	\$ 9,207,055

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

BADLANDS RESOURCES INC.
(FORMERLY MINERAL MOUNTAIN RESOURCES LTD.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
YEARS ENDED MARCH 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	\$ (739,812)	\$ (954,194)
Items not affecting cash:		
Depreciation	43,090	45,552
Foreign exchange	59,185	59,473
Gain on sale of exploration and evaluation assets	(50,000)	(50,000)
Interest expense	17,135	13,544
Share-based payments	110,584	236,011
Changes in non-cash working capital items:		
Accounts receivable	24,892	(14,649)
Prepaid expenses and deposits	22,458	66,999
Accounts payable and accrued liabilities	(11,641)	(15,232)
Amounts due to related parties	166,510	259,367
Net cash used in operating activities	(357,599)	(353,129)
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash	25,013	-
Exploration and evaluation assets	(141,175)	(183,126)
Proceeds from sale of exploration and evaluation assets	50,000	50,000
Net cash used in investing activities	(66,162)	(133,126)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	152,750	451,310
Share issuance costs	(7,270)	(34,410)
Share subscription proceeds	-	213,001
Payment of lease liability	(54,625)	(45,521)
Loans from related parties	258,139	3,000
Loans repaid from related parties	-	(23,000)
Interest paid	-	(494)
Net cash provided by financing activities	348,994	563,886
Change in cash during the year	(74,767)	77,631
Cash, beginning of the year	81,600	3,969
Cash, end of the year	\$ 6,833	\$ 81,600

Supplemental cash flow information (Note 14)

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

1. NATURE OF BUSINESS

Badlands Resources Inc. (formerly Mineral Mountain Resources Ltd.) (the “Company”) was incorporated on September 1, 2006 under the laws of British Columbia, Canada, and maintains its head office at 1615 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. Its registered office is located at 2501 – 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. Effective December 1, 2023, the Company changed its name to Badlands Resources Inc. The Company is engaged in the acquisition, exploration and development of mineral properties in North America. The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “BLDS”, on the OTC Pink under the symbol “BDLNF” and on the Frankfurt Stock Exchange under the symbol “B7Q”.

On December 1, 2023, the Company consolidated its shares on a 10:1 basis. All shares shown in these consolidated financial statements are at their post-consolidated value.

2. BASIS OF PREPARATION

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.

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned United States (or “US”) subsidiary, Mineral Mountain Resources (SD) Inc. All intercompany transactions, balances, income and expenses are eliminated in full on consolidation.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

Going concern

The Company is an exploration stage company. The Company has a history of losses with no operating revenue. The ability of the Company to recover the costs it has incurred to date on the exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body to finance its exploration and development costs, and to resolve any environmental, regulatory or other constraints that may hinder the successful development of the assets. As at March 31, 2024, the Company had a cash balance of \$6,833 and its current liabilities exceeded its current assets by \$2,005,356. The aforementioned factors indicate the existence of a material uncertainty, which may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing, in which case the Company may be unable to meet its obligations. The directors, after reviewing the current cash position and having considered the Company’s ability to raise funds in the short term, adopt the going concern basis in preparing its consolidated financial statements.

2. BASIS OF PREPARATION (cont'd...)

Going concern (cont'd...)

These consolidated financial statements do not include adjustments that would be required if going concern is not an appropriate basis for preparation of the consolidated financial statements. These adjustments could be material.

Critical accounting estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

- i) The determination of the fair value of stock options and agent warrants using stock pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.
- ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgments

The preparation of these consolidated financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments include:

- i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these assets. The assessment of indications of impairment loss and the reversal of an impairment loss and the measuring of the recoverable amount when impairment tests have been prepared involve judgment. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount.
- ii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.
- iii) The classification of financial instruments.
- iv) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements, unless otherwise indicated.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset into operation and an initial estimate of the rehabilitation obligation.

Equipment is generally depreciated on a straight-line basis over the estimated useful lives as follows:

Computer equipment	2 years
Office equipment	5 years
Field equipment	3 - 10 years

An item of equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of an asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of comprehensive loss.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property and equipment and any changes arising from the assessment are applied by the Company prospectively.

Exploration and evaluation assets

Once a license or other right to explore an area has been secured, all direct costs related to the acquisition, exploration and evaluation of mineral property interests are capitalized on a property by property basis until such time that technical feasibility and commercial viability of extracting a mineral resource has been determined for a property, in which case the capitalized exploration and evaluation costs are transferred and capitalized into property, plant and equipment. The Company records expenditures on exploration and evaluation activities at cost. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Proceeds received from a partial sale or option of any interest in a property are credited against the carrying value of the property. When the proceeds exceed the carrying costs, the excess is recorded in profit or loss in the period the excess is received. When all of the interest in a property is sold, subject only to any retained royalty interests that may exist, the accumulated property costs are written off, with any gain or loss included in profit or loss in the period the transfer takes place.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

Impairment of non-financial assets

Management assesses the exploration and evaluation assets and property and equipment for impairment at least annually and whenever factors or circumstances indicate that the carrying amount may not be recoverable. For exploration and evaluation assets, examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

If, after management review, it is determined that the carrying amount of an asset is impaired, that asset is written down to its estimated recoverable amount. The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and its value in use. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at March 31, 2024 and 2023, the Company had no known material restoration, rehabilitation or environmental liabilities related to its mineral properties.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

Financial instruments

i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principle and interest on the principle amount outstanding, and it is not designated as FVTPL. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. None of the Company’s financial assets are classified as FVTPL.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. None of the Company’s financial assets are classified as FVTOCI.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The Company’s financial assets at amortized cost comprise cash and restricted cash.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

ii) Financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost, which include trade and other payables, amounts due to related parties, and loans payable. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured 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 loss allowance is measured for the financial asset at an amount equal to twelve-month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables the Company has no material loss allowance as at March 31, 2024 and 2023.

Leases

At inception of a contract, the Company assesses whether a contract is or contains a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease obligation at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease obligation adjusted for any lease payments made at or before the commencement date. The assets are depreciated over the lease term using the straight-line method, as this most closely reflects the expected pattern of consumption of future economic benefits.

The lease obligation is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease obligation. The lease obligation is subsequently measured at amortized cost using the effective interest rate method.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the common shares. If the proceeds from the offering are less than or equal to the estimated fair market value of common shares issued, no value is assigned to the warrants. Warrants that are issued as payment to a finder or other transaction costs are accounted for as share-based payments.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. The diluted loss per share reflects all dilutive potential common shares equivalents, which comprise outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the outstanding stock options and share purchase warrants were anti-dilutive for the years ended March 31, 2024 and 2023.

3. MATERIAL ACCOUNTING POLICIES (cont'd...)

Share-based payments

Share-based payments to employees and others providing similar services are measured at the grant date fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. The offset to the recorded cost is to share-based payments reserve. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes Option Pricing Model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends and the risk-free interest rate (based on government bonds).

Income taxes

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be utilized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Foreign currency translation

The consolidated financial statements for the Company and its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company and its subsidiary is Canadian dollars, which is the Company's presentation currency.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

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3. MATERIAL ACCOUNTING POLICIES (cont'd...)

New accounting standards

The Company has reviewed future new and amended IFRS pronouncements and determined that there are no standards that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

4. PREPAID EXPENSES AND DEPOSITS

	2024	2023
Exploration deposits	\$ 27,678	\$ 27,567
Prepaid expenses	36,872	25,305
Rental deposit	-	30,670
	<u>\$ 64,550</u>	<u>\$ 83,542</u>

5. RESTRICTED CASH

The Company provided corporate credit cards to a director with a credit limit totaling \$21,760 (\$15,000 in Canadian and \$5,000 in US) for the Company's expenses. As collateral for the credit cards, the Company had a one-year term deposit of \$17,250 earning average annual interest at the prime rate minus 2.27% and a one-year US term deposit of US\$5,750 earning annual interest of 0.2%. The credit cards were cancelled and the term deposits redeemed during the year ended March 31, 2024.

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6. PROPERTY AND EQUIPMENT

	Right-of-use Asset	Computer Equipment	Office Equipment	Field Equipment	Total
Cost					
Balance as at March 31, 2023 and 2024	\$ 214,457	\$ 7,970	\$ 13,299	\$ 20,367	\$ 256,093
Accumulated depreciation					
Balance as at March 31, 2023	171,566	7,970	13,100	16,689	209,325
Depreciation for the year	42,891	-	199	2,037	45,127
Balance as at March 31, 2024	214,457	7,970	13,299	18,726	254,452
Net value as at March 31, 2024	\$ -	\$ -	\$ -	\$ 1,641	\$ 1,641

	Right-of-use Asset	Computer Equipment	Office Equipment	Field Equipment	Total
Cost					
Balance as at March 31, 2022 and March 31, 2023	\$ 214,457	\$ 7,970	\$ 13,299	\$ 20,367	\$ 256,093
Accumulated depreciation					
Balance as at March 31, 2022	128,674	7,970	10,440	14,653	161,737
Depreciation for the year	42,892	-	2,660	2,036	47,588
Balance as at March 31, 2023	171,566	7,970	13,100	16,689	209,325
Net value as at March 31, 2023	\$ 42,891	\$ -	\$ 199	\$ 3,678	\$ 46,768

During the year ended March 31, 2024, the Company expensed \$43,090 (2023 - \$45,552) in depreciation to the consolidated statements of comprehensive loss and capitalized \$2,037 (2023 - \$2,036) to exploration and evaluation assets.

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7. EXPLORATION AND EVALUATION ASSETS

	March 31, 2022	Additions	March 31, 2023	Additions	March 31, 2024
Standby Gold Project, South Dakota					
Acquisition costs					
Option payments	\$ 2,150,850	\$ -	\$ 2,150,850	\$ -	\$ 2,150,850
Staking and other property costs	1,448,813	121,093	1,569,906	126,719	1,696,625
	3,599,663	121,093	3,720,756	126,719	3,847,475
Exploration costs					
Assays	196,668	1,472	198,140	13,128	211,268
Drilling	3,391,594	-	3,391,594	34,874	3,426,468
Equipment rental	127,136	3,937	131,073	2,037	133,110
Fieldwork	202,464	2,038	204,502	769	205,271
Geological consulting	1,515,830	152,792	1,668,622	260,531	1,929,153
Geophysical survey	447,254	-	447,254	-	447,254
Miscellaneous	575,944	17,076	593,020	11,341	604,361
State and local taxes (recovery)	220,952	7,375	228,327	(11,083)	217,244
Travel	173,337	-	173,337	15,829	189,166
	6,851,179	184,690	7,035,869	327,426	7,363,295
	\$ 10,450,842	\$ 305,783	\$ 10,756,625	\$ 454,145	\$ 11,210,770

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Standby Gold Project, South Dakota

The Company's Standby Gold Project is located in the Rochford Mining District of the Black Hills, South Dakota. The Standby Gold Project includes the following properties:

BHB Claims

On March 7, 2016, the Company and its wholly owned US subsidiary entered into a purchase and sale agreement with four individuals (collectively, the "Owners") to purchase a 100% interest in 19 unpatented lode mineral claims ("BHB Claims") located in the Rochford Mining District and the historical database pertaining to the BHB Claims in consideration of 400,000 shares of the Company (issued during the year ended March 31, 2017 with a fair value of \$1,500,000).

In addition, the Company agreed to grant the Owners a collective 2% net smelter returns royalty ("NSR") on the BHB Claims, a collective 1% NSR on the Company's Rochford Claims and a collective 1.5% NSR on claims falling within the area of mutual interest ("Area of Interest Claims Royalty"). The Area of Interest Claims Royalty will only be granted if the acquired property or properties are not already burdened with a royalty.

Standby Property

On September 2, 2016, the Company and its wholly owned US subsidiary entered into an option agreement to acquire a 100% interest in 9 patented lode mineral claims located in the Rochford Mining District. Pursuant to the option agreement, the Company made cash payments of US\$500,000 to the optionor and earned a 100% interest in the Standby Property.

In addition, the Company agreed to grant the optionor a 2% NSR. The Company has the option to purchase up to one-half of the NSR (1%) at the price of US\$1,500,000 for 1% NSR or a proportionate amount if the Company purchases less than 1% of the NSR.

Straw Lake Property, Ontario

The Company holds a 100% interest in certain mineral claims in the Kenora Mining District in northwestern Ontario, previously known as the Straw Lake project. On June 3, 2021, the Company entered into an agreement to sell its interest in the Straw Lake claims for a total of \$200,000, receivable in four equal instalments over a three-year period. The Company received the first instalment of \$50,000 upon signing of the agreement, and during the year ended March 31, 2023, received the second instalment of \$50,000. During the year ended March 31, 2024, the Company received the third instalment of \$50,000, which has been recorded as a gain on sale of exploration and evaluation assets in the consolidated statements of comprehensive loss. Subsequent to March 31, 2024, the agreement was re-negotiated to amend the total proceeds from \$200,000 to \$190,000 and the final payment from \$50,000 to \$40,000. The \$40,000 was received subsequent to March 31, 2024.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accounts payable	\$ 1,134,974	\$ 830,477
Accrued liabilities	84,176	22,285
	<u>\$ 1,219,150</u>	<u>\$ 852,762</u>

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9. LEASE LIABILITY

A continuity of the Company's lease liability is as follows:

Balance as at March 31, 2022	\$	87,732
Interest accrued		9,023
Lease payments paid during the year		(45,521)
Balance as at March 31, 2023		51,234
Interest accrued		3,391
Lease payments paid during the year		(54,625)
Balance as at March 31, 2024	\$	-

The Company discounted remaining lease payments using its incremental borrowing rate, which was a weighted average rate of 12%. The Company's share of operating costs for the year ended March 31, 2024 were \$53,782 (2023 - \$53,969), which are variable and were therefore expensed in net loss.

The Company's lease term for its office premises ended on March 31, 2024. The Company also paid \$8,000 (2023 - \$nil) for its share of rent at its new premises. The lease is considered short term as it is month-to-month and can be cancelled by either party.

10. LOANS PAYABLE

On August 25, 2023, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed \$113,188. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of February 25, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the year ended March 31, 2024, the Company has accrued \$6,937 (2023 - \$nil) of interest, resulting in a balance of \$120,125 as at March 31, 2024 (2023 - \$nil). The loan is past due as of March 31, 2024.

On October 12, 2023, the Company entered into a bridge loan agreement with a company controlled by the chief financial officer of the Company. Under the terms of the agreement, the Company borrowed \$20,000. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of April 12, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the year ended March 31, 2024, the Company has accrued \$953 (2023 - \$nil) of interest, resulting in a balance of \$20,953 as at March 31, 2024 (2023 - \$nil).

On February 1, 2024, the Company entered into a bridge loan agreement with a company controlled by the executive chair of the Company. Under the terms of the agreement, the Company borrowed \$70,143. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of August 1, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the year ended March 31, 2024, the Company has accrued \$1,138 (2023 - \$nil) of interest, resulting in a balance of \$71,281 as at March 31, 2024 (2023 - \$nil).

On March 14, 2024, the Company entered into a bridge loan agreement with a company controlled by the chief executive officer of the Company. Under the terms of the agreement, the Company borrowed \$54,808. The loan is unsecured and bears interest at 10% per annum payable on maturity. The maturity date of the loan is the earlier of September 14, 2024 and the day the Company closes a financing resulting in gross proceeds equal to or greater than \$1,000,000. During the year ended March 31, 2024, the Company has accrued \$271 (2023 - \$nil) of interest, resulting in a balance of \$55,079 as at March 31, 2024 (2023 - \$nil).

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10. LOANS PAYABLE (cont'd...)

Balance as at March 31, 2022 and March 31, 2023	\$	-
Advances		258,139
Interest accrued		9,299
<hr/>		
Balance as at March 31, 2024	\$	267,438
Current liability	\$	267,438
Long-term liability	\$	-

11. RELATED PARTY TRANSACTIONS

Amounts due to related parties of \$595,175 (2023 - \$428,665) were for services rendered to the Company by its directors and officers or companies controlled by its directors and officers, as well as expense reimbursements, and are unsecured, non-interest-bearing and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and senior officers of the Company. The compensation paid or payable to key management personnel during the years ended March 31, 2024 and 2023 is as follows:

	2024	2023
Management fees	\$ 469,750	\$ 349,000
Professional fees	7,554	11,091
Share-based payments	77,250	142,942
<hr/>		
Total	\$ 554,554	\$ 503,033

The Company entered the following transactions relating to key management personnel and entities over which they have control or significant influence during the year ended March 31, 2024:

- a) Incurred management fees of \$60,000 (2023 - \$120,000) to a company controlled by a director (and formerly the president).
- b) Incurred management fees of \$75,000 (2023 - \$55,000) to a company controlled by a former director.
- c) Incurred management fees of \$21,000 (2023 - \$84,000) to a former director.
- d) Incurred management fees of \$3,750 (2023 - \$30,000) to the former chief financial officer.
- e) Incurred professional fees of \$7,066 (2023 - \$11,091) and other fees of \$489 (2023 - \$794) to a company with the corporate secretary in common with the Company.
- f) Incurred management fees of \$90,000 (2023 - \$nil) to a company controlled by the chief executive officer.
- g) Incurred management fees of \$90,000 (2023 - \$nil) to a company controlled by the executive chair.
- h) Incurred management fees of \$35,000 (2023 - \$nil) to a company controlled by the chief financial officer.
- i) Incurred management fees of \$35,000 (2023 - \$nil) to a company controlled by the corporate secretary.
- j) Incurred management fees of \$30,000 (2023 - \$60,000) to a company controlled by a former director of the Company.

11. RELATED PARTY TRANSACTIONS (cont'd...)

- k) Incurred management fees of \$30,000 (2023 - \$nil) to a company controlled by a close family member of the chief executive officer.

During the year ended March 31, 2022, the Company entered into three agreements with a company controlled by a current director, a now former director and a company controlled by a now former director for management and corporate consulting services for a total monthly fee of \$22,000. These agreements were for a one-year term and continued thereafter on a month-to-month basis and could be terminated with six months' notice or a termination payment equal to six months' remuneration. These agreements were terminated during the year ended March 31, 2024, with two of the parties agreeing to forgive a portion of the balances owing in exchange for payment within five business days of the Company completing a private placement of not less than \$2,000,000. The Company recorded a gain on settlement of balances owing of \$102,350 and \$141,500 to reduce balances owing of \$149,350 and \$181,500 to \$47,000 and \$40,000, respectively.

On February 1, 2024, the Company entered into consulting agreements with the chief executive officer, executive chair, chief financial officer and corporate secretary. The agreements include termination and change of control clauses. In the case of termination, the parties are entitled to an amount equal to a multiple (ranging from one to two times) the annual base fee payable. In the case of a change of control, the parties are entitled to an amount equal to a multiple (ranging from one to two times) the sum of the annual base fee and minimum incentive fee payable. As at March 31, 2024, the total annual base fee payable to the parties is \$540,000 and the minimum incentive fee payable on a change of control would be \$135,000.

During the year ended March 31, 2024, the Company incurred \$8,000 (2023 - \$nil) in rent to a company with a common officer.

12. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued and outstanding

During the year ended March 31, 2024, the Company completed a non-brokered private placement of 365,751 units at a price of \$1.00 per unit for gross proceeds of \$365,751. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 12 months at an exercise price of \$2.50. \$73,150 was allocated to the warrants based on the residual method. The Company received subscription proceeds of \$213,001 in the period prior to March 31, 2023 and the balance of \$152,750 subsequent to March 31, 2023. The Company incurred share issuances costs of \$7,270 in connection with the private placement. Related parties subscribed to 92,084 units for proceeds of \$92,084.

During the year ended March 31, 2023, the Company:

- a) Completed a non-brokered private placement of 158,500 units at a price of \$1.00 per unit for gross proceeds of \$158,500. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 12 months at an exercise price of \$2.50. Of the proceeds, \$25,550 was allocated to the warrants based on the residual method. The Company incurred filing expenses of \$1,542 in connection with the private placement. Related parties subscribed to 90,000 units for proceeds of \$90,000.

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12. SHARE CAPITAL (cont'd...)

Issued and outstanding (cont'd...)

- b) Completed a non-brokered private placement of 428,843 units at a price of \$0.70 per unit for gross proceeds of \$300,190. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 6 months at an exercise price of \$1.50. No value was allocated to the warrants based on the residual method. The Company paid \$8,119 as a finders' fee and incurred legal and filing expenses of \$24,749 in connection with the private placement. Related parties subscribed to 76,000 units for proceeds of \$53,200.

13. SHARE-BASED PAYMENTS

Stock options

The Company has adopted an incentive rolling stock option plan (the "Plan") under which it is authorized to grant options to directors, officers, employees and consultants enabling them to acquire up to a maximum of 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors. Options granted to employees or consultants performing investor relations will vest in stages over 12 months with no more than one-quarter of the options vesting in any three-month period. The exercise price of options granted under the Plan shall not be less than the closing price of the Company's shares on the trading day immediately preceding the date of grant, less the discount permitted under the TSX-V's policies.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2022	667,500	\$ 2.50
Granted	365,000	\$ 1.10
Cancelled/expired	(280,000)	\$ 3.00
Balance, March 31, 2023	752,500	\$ 1.70
Granted	15,000	\$ 1.20
Expired	(62,500)	\$ 1.78
Balance at March 31, 2024	705,000	\$ 1.70
Exercisable at March 31, 2024	705,000	\$ 1.70

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13. SHARE-BASED PAYMENTS (cont'd...)

Stock options (cont'd...)

The fair value calculated for stock options granted during the year ended March 31, 2024 was \$13,226 (2023 - \$333,370) using the Black-Scholes Option Pricing Model. For the year ended March 31, 2024, the Company recognized share-based payment expense of \$110,584 (2023 - \$236,011) for the portion of stock options that vested during the period. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2024	2023
Risk-free interest rate	3.54%	2.55%
Expected life of options	3 Years	3.58 Years
Annualized volatility	107%	100%
Dividend rate	Nil	Nil
Weighted average grant date fair value	\$0.88	\$0.60

As at March 31, 2024, the following stock options were outstanding:

Number of Options	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Expiry Date
25,000	\$ 1.50	0.02	April 9, 2024*
137,500	\$ 1.75	0.52	October 7, 2024
20,000	\$ 4.00	0.76	January 3, 2025
15,000	\$ 1.00	1.07	April 26, 2025
172,500	\$ 2.50	1.81	January 21, 2026
65,000	\$ 1.20	1.85	February 5, 2026
15,000	\$ 1.20	2.15	May 26, 2026
50,000	\$ 1.00	3.00	April 1, 2027
205,000	\$ 1.20	3.85	February 5, 2028
705,000	\$ 1.70	2.14	

* See Note 21

Warrants

Warrants are issued as private placement incentives. Value was allocated to the warrants issued with private placement units based on the residual method. Agent warrants are measured at fair value on the date of the grant, as determined using the Black-Scholes option pricing model.

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13. SHARE-BASED PAYMENTS (cont'd...)

Warrants (cont'd...)

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, March 31, 2022	666,394	\$	3.80
Granted	587,343	\$	1.80
Balance, March 31, 2023	1,253,737	\$	2.80
Granted	365,751	\$	2.50
Expired	(1,253,737)	\$	2.85
Balance, March 31, 2024	365,751	\$	2.50

As at March 31, 2024, the following warrants were outstanding:

Number of Warrants	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Expiry Date
365,751	\$ 2.50	0.36	May 12, 2024*

* See Note 21

14. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash investing and financing transactions during the year ended March 31, 2024 included:

- a) The Company allocated depreciation of equipment of \$2,037 to exploration and evaluation assets.
- b) Included in accounts payable and accrued liabilities is \$950,650 related to exploration and evaluation assets.
- c) The Company paid interest of \$7,837.

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

- a) The Company allocated depreciation of equipment of \$2,036 to exploration and evaluation assets.
- b) Included in accounts payable and accrued liabilities is \$639,717 related to exploration and evaluation assets.

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15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2024	2023
Loss before income taxes	\$ (739,812)	\$ (954,194)
Statutory tax rate	27%	27%
Expected income tax recovery at statutory rates	\$ (199,749)	\$ (257,632)
Non-deductible items	16,024	53,868
Other	(275)	(35,003)
Unrecognized temporary differences	184,000	238,767
Deferred income tax recovery	\$ -	\$ -

The Company has available for deduction against future taxable income non-capital losses of approximately \$15,500,000. These losses, if not utilized, will expire between 2029 and 2044. Subject to certain restrictions, the Company also has resource expenditures of approximately \$29,400,000 and share issuance costs of approximately \$109,000 available to reduce taxable income in future years. Deferred tax assets that may arise as a result of these non-capital losses and resource deductions have not been recognized in these consolidated financial statements, as the Company determined that, as at March 31, 2024, their realization is uncertain.

The nature and tax effect of the temporary differences giving rise to the unrecognized deferred tax assets are as follows:

	2024	2023
Exploration and evaluation assets	\$ 4,908,000	\$ 4,908,000
Non-capital loss carry-forwards	4,189,000	3,984,000
Capital loss carry-forwards	194,000	194,000
Share issuance costs	11,000	30,000
Equipment	141,000	139,000
Unrecognized deferred income tax assets	\$ 9,443,000	\$ 9,255,000

16. FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows: cash and restricted cash are classified as subsequently measured at amortized cost; and accounts payable and accrued liabilities, amounts due to related parties and loans payable, as subsequently measured at amortized cost financial liabilities. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

16. FINANCIAL INSTRUMENTS (cont'd...)

Financial risk management (cont'd)

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and restricted cash. The credit risk with respect to its cash and restricted cash is minimal, as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure there is sufficient cash available to fund its projects and operations. As at March 31, 2024, the Company had a cash balance of \$6,833 and current liabilities of \$2,081,763. The Company's financial liabilities include accounts payable and accrued liabilities, which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants, as well as loans from related parties. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk to the extent of cash maintained at financial institutions. The interest rate risks on cash and restricted cash are not considered significant due to their short-term nature and maturity. The interest rate risk on loans payable is minimal as the loans have fixed interest rates.

Foreign exchange rate risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. At March 31, 2024, the Company had financial assets of \$1,629 and financial liabilities of \$909,581 denominated in United States dollars. A 10% strengthening of the US dollar would affect net loss by approximately \$91,000. The Company does not hedge its foreign exchange risk.

17. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at March 31, 2024, the Company has no financial assets or financial liabilities measured at fair value. There have been no changes in these levels and no changes in classifications during the year ended March 31, 2024.

18. SEGMENTED INFORMATION

Operating segments

The Company operates in a single reportable segment – the acquisition, exploration and development of mineral properties.

Geographic segments

The Company's non-current assets are located in Canada and the United States as follows:

At March 31, 2024:

	Canada	US	Total
Property and equipment	\$ -	\$ 1,641	\$ 1,641
Exploration and evaluation assets	-	11,210,770	11,210,770
	\$ -	\$ 11,212,411	\$ 11,212,411

At March 31, 2023:

	Canada	US	Total
Property and equipment	\$ 43,090	\$ 3,678	\$ 46,768
Exploration and evaluation assets	-	10,756,625	10,756,625
	\$ 43,090	\$ 10,760,303	\$ 10,803,393

19. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, pursue exploration of its mineral property interest and to maintain a flexible capital structure for the benefits of its stakeholders. In the management of capital, the Company includes components of shareholders' equity in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets.

Management reviews the capital structure on a regular basis to ensure that the Company's capital management objectives are achieved. There has been no change in the Company's approach to capital management from the prior year. The Company's capital is not subject to any external restrictions.

20. CONTINGENCIES

The Company establishes liabilities for litigation and contingencies when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. During the year ended March 31, 2024, the Company was subject to two legal claims for unpaid debt. Of the two legal claims, one matter was paid during the year ended March 31, 2024, and the other was paid both during and subsequent to the year ended March 31, 2024. Based on information currently known to management, the liability established for the outstanding portion of the claim at March 31, 2024 is sufficient.

21. SUBSEQUENT EVENTS

Subsequent to March 31, 2024, 25,000 stock options and 365,751 warrants expired unexercised.