# GOLDEN RAPTURE MINING CORPORATION
## (An Exploration Company)

FINANCIAL STATEMENTS

For the period from incorporation on August 29, 2022 to April 30, 2023

Expressed in Canadian dollars

# GOLDEN RAPTURE MINING CORPORATION

Statement of Financial Position

As at April 30, 2023

(Expressed in Canadian dollars)

| | $ |
|---|---|
| **Assets** | |
| Current assets | |
| Cash | 1,150,009 |
| Amounts receivable (Note 4) | 65,998 |
| Prepaids | 27,500 |
| Total current assets | 1,243,507 |
| Non-current assets | |
| Equipment (Note 5) | 11,751 |
| Deferred financing charges (Note 9) | 230,743 |
| Exploration and evaluation assets (Note 6) | 189,827 |
| Total non-current assets | 432,321 |
| Total assets | 1,675,828 |
| **Liabilities and Equity** | |
| Liabilities | |
| Current liabilities | |
| Accounts payable and accrued liabilities | 49,409 |
| Flow-through shares premium liabilities (Note 8) | 71,877 |
| Total current liabilities | 121,286 |
| Equity | |
| Share capital (Note 10) | 1,532,407 |
| Reserves (Note 10) | 119,816 |
| Deficit | (97,681) |
| Total equity | 1,554,542 |
| Total liabilities and equity | 1,675,828 |

Nature and continuance of operations (Note 1)
Subsequent event (Note 15)

**Approved on behalf of the Board on August •, 2023:**

Director _____

Director _____

The accompanying notes are an integral part of these financial statements

# GOLDEN RAPTURE MINING CORPORATION

Statements of Loss and Comprehensive Loss

For the period from incorporation on August 29, 2022 to April 30, 2023

(Expressed in Canadian dollars)

| | $ |
|---|---|
| Expenses | |
| Advertising and promotion | 5,628 |
| Advisory fees (Note 10) | 2,500 |
| Management fees (Note 12) | 36,000 |
| Office and miscellaneous (Note 12) | 29,056 |
| Professional fees | 35,762 |
| Travel | 3,556 |
| Total expenses | (112,502) |
| Other items | |
| Flow-through shares premium recovery (Note 8) | 18,043 |
| Part XII.6 tax (Note 8) | (2,222) |
| Write-off of amounts receivable | (1,000) |
| Loss and comprehensive loss for the period | (97,681) |
| Basic and diluted loss per share | $ (0.01) |
| Weighted average number of shares outstanding | 7,548,636 |

The accompanying notes are an integral part of these financial statements

# GOLDEN RAPTURE MINING CORPORATION

Statements of Changes in Equity

For the period from incorporation on August 29, 2022 to April 30, 2023

(Expressed in Canadian dollars)

| | Number of shares | Share capital | Warrants Reserve | Deficit | Total Equity |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| Balance, Incorporation on August 29, 2022 | - | - | - | - | - |
| Shares issued for cash | 17,991,497 | 1,446,320 | 27,580 | - | 1,473,900 |
| Flow-through shares premium | - | (89,920) | - | - | (89,920) |
| Shares issued for exploration and evaluation assets | 350,000 | 35,000 | - | - | 35,000 |
| Shares issued for advisory services | 25,000 | 2,500 | - | - | 2,500 |
| Shares issued for financing fees | 1,500,000 | 150,000 | - | - | 150,000 |
| Warrants issued for financing fees | - | - | 92,236 | - | 92,236 |
| Shares issued cost | - | (11,493) | - | - | (11,493) |
| Net loss for the period | - | - | - | (97,681) | (97,681) |
| Balance, April 30, 2023 | 19,866,497 | 1,532,407 | 119,816 | (97,681) | 1,554,542 |

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The accompanying notes are an integral part of these financial statements

# GOLDEN RAPTURE MINING CORPORATION

Statements of Cash Flows

For the period from incorporation on August 29, 2022 to April 30, 2023

(Expressed in Canadian dollars)

| | $ |
|---|---|
| Operating activities: | |
| Net loss for the period | (97,681) |
| Adjustment for non-cash items | |
| Shares issued for advisory services | 2,500 |
| Flow-through shares premium recovery | (18,043) |
| Write-off of amounts receivable | 1,000 |
| Changes in working capital items | |
| Amounts receivable | (9,098) |
| Prepaids | (27,500) |
| Accounts payable and accrued liabilities | 49,409 |
| Cash used in operating activities | (99,413) |
| Investing activities: | |
| Purchases of equipment | (11,751) |
| Exploration and evaluation expenditures | (154,827) |
| Cash used in investing activities | (166,578) |
| Financing activities: | |
| Shares issued for cash | 1,416,000 |
| Cash provided by financing activities | 1,416,000 |
| Change in cash, being cash end of period | 1,150,009 |

| *Supplementary Information:* | |
|---|---|
| Interest paid | - |
| Income taxes paid | - |
| Shares issued for exploration and evaluation assets | 35,000 |
| Shares issued for financing fees | 150,000 |
| Warrants issue for financing fees | 92,236 |

The accompanying notes are an integral part of these financial statements

## 1. Nature and continuance of operations

Golden Rapture Mining Corporation (the "Company") is a company incorporated in Canada pursuant to *The Canada Business Corporations Ac*t on August 29, 2022 and commenced operations in September 2022. The address of the Company's head office is: 804 Barnes Link SW; Edmonton, Alberta; T6W 1E7.

The Company is a mineral resource company in an exploration stage that is engaged in the acquisition of interests in, and in the exploration of, mineral resource properties.

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of operations. There is a significant doubt about the appropriateness of the use of the going concern assumption because the Company has experienced significant losses from operations during the period.

The Company has not yet determined whether its exploration and evaluation assets contain reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. If the Company's exploration and development efforts are successful, additional funds may be required, and the Company may not have sufficient funds to conduct the exploration required. The primary source of future funds available to the Company is through the issuance of additional equity capital, which may dilute the interests of the existing shareholders.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate, then adjustments may be necessary to the carrying value of the assets and liabilities and the reported amounts of any expenses included in these financial statements.

## 2. Basic of preparation

a. Statement of compliance

These financial statements have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements for the period from incorporation on August 29, 2022 to April 30, 2023 were reviewed by the Audit Committee and approved and authorized for issue by the Company's Board of Directors on August •, 2023.

b. Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value.

**3. Significant accounting policies**

c. Exploration and evaluation expenditures

Costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are expensed as incurred.

*Capitalized costs*

Exploration and evaluation expenditures are defined as costs incurred after having obtained the legal right to explore the property and before the technical and commercial viability of extracting resources are demonstrated.

The Company follows the full cost method whereby all costs associated with the acquisition, exploration and development of reserves are capitalized in cost centers from the time the Company obtains the legal right to undertake exploration and evaluation activities on a project. Such costs include land and lease acquisitions, geological and geophysical expenditures, drilling, production and gathering equipment and facilities, carrying costs directly related to unproven properties and corporate costs directly related to the acquisition. Amounts capitalized to these cost centers represent costs to date and are not intended to represent present or future values. The recoverability of the costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interests in the underlying mineral claims, the ability to obtain any necessary financing to complete development and the confirmation of future profitable production from the properties or realization of sufficient proceeds from the disposition of the properties.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation asset until receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded when received.

If technical feasibility and commercial viability have been established, the carrying amount of the related exploration and evaluation asset is tested for impairment as discussed below. The carrying value, net of any impairment loss, is then reclassified to property and equipment as exploration and evaluation assets. If the Company decides not to continue the exploration and evaluation activity, then the accumulated costs are expensed as impairment losses in the period in which the event occurs.

*Impairment test*

Exploration and evaluation assets are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount or when technical feasibility and commercial viability have been established. The recoverable amount of an asset or cash-generating unit is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, excluding impairment losses for exploration and evaluation assets reclassified to property and equipment, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been previously recognized for the asset or cash-generating unit.

d. Borrowing costs

The Company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset when it is probable that these costs will result in future economic benefits and when they can be reliably measured. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed as incurred.

**3. Significant accounting policies (continued)**

e. Provisions

*General*

Provisions are recognized when a present legal or constructive obligation exists as a result of past events when it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at management's best estimate of the expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The expense relating to any provision is included in profit or loss net of any reimbursement. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered remote, no liability is recognized.

*Environmental rehabilitation provision*

The Company recognizes the fair value of any liability for environmental rehabilitation in the period in which the Company is legally or constructively required to remediate, if a reasonable estimate of fair value can be made, based on an estimated future cash settlement of the environmental rehabilitation obligation, discounted at a pre-tax rate that reflects the current market assessments of the time value of money and any risks specific to the obligation. The environmental rehabilitation obligation is capitalized as part of the carrying amount of the associated long-lived asset and a liability is recorded. Any environmental rehabilitation obligation is depleted on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows. Significant estimates and judgments are involved in forming expectations of the amounts and timing of any environmental rehabilitation cash flows. The Company has assessed its exploration and evaluation assets and determined that no material environmental rehabilitations exist.

f. Equipment

*Recognition and measurement*

Equipment is recorded at historical cost less accumulated depreciation and any impairment losses. Residual values, depreciation methods and useful economic lives are reviewed and adjusted as necessary at the end of each reporting period. Cost includes expenditures that are directly attributable to the acquisition of the asset. When components of equipment have different useful lives, they are accounted for as a separate item of equipment.

*Subsequent costs*

The cost of replacing a component of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the company, and its costs can be reliably measured. The carrying amount of the replaced component is derecognized. The costs of servicing equipment are recognized in profit or loss as incurred.

*Depreciation*

Depreciation is based on the cost of an asset less its residual value. Depreciation methods and rates are applied consistently within each asset class except where significant individual assets have been identified which have different depreciation patterns. Depreciation is recognized in profit or loss. The following rate and method is used:

| | Rate | Method |
|---|---|---|
| Equipment | 20% | Declining balance |

**3. Significant accounting policies (continued)**

e. Equipment

In the year of acquisition, depreciation is calculated from the date of acquisition. Depreciation methods and useful lives are reviewed at each reporting date and adjusted as required.

An item of equipment is derecognized upon disposal 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 the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

g. Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from the proceeds in equity in the period where the transaction occurs.

*Units placements*

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to share capital according to the fair value (i.e. quoted market price) of the underlying shares at the time of issuance and any residual in the proceeds is allocated to warrants.

h. Flow-through shares

Under current Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. To account for flow-through shares, the Company allocates total proceeds from the issuance of any flow-through shares between the offering of shares and the sale of tax benefits.

The total amount allocated to the offering of shares is based on the quoted price of the underlying shares. The remaining amount, which is allocated to the sale of tax benefits, is recorded as a liability and is reversed proportionately and recognized as after-tax income when the tax benefits upon expenditures being incurred. In situations where the Company issue units, consisting of flow-through shares and warrants, the Company uses the quoted market price to estimate the fair value of the shares, and the Black-Scholes option pricing model to estimate the fair value of the warrants. Any residual in the proceeds is allocated to the flow-through premium liability.

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

**4. Significant accounting policies (continued)**

i. Share issue costs

Professional, consulting, regulatory and other costs directly attributable to capital transactions are recorded as deferred capital costs until the capital transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred capital costs related to capital transactions that are abandoned or are considered unlikely to be completed are recognized in profit or loss.

i. Income (loss) per share

Diluted income (loss) per share is calculated using the treasury stock method which assumes all common share equivalents, such as options and warrants had been exercised at the beginning of the reporting period of issue and that the funds obtained therefrom were used to purchase common shares of the Company at the estimated average trading price of the common shares during the year.

j. Income taxes

Income tax expense comprises current and deferred income tax. Current tax and deferred tax are recognized in profit or loss except to the extent that the tax relates to items recognized directly in equity or in other comprehensive income or loss.

(i) Current income tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to taxes payable in respect of previous years.

(ii) Deferred income tax

Deferred tax is recognized in respect of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax is measured at the enacted or substantially enacted tax rates expected to be recovered or settled in the future. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the date of enactment or substantive enactment.

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

## 3. Significant accounting policies (continued)

k. Financial instruments

*Recognition and measurement*

The Company determines the classification of its financial assets and financial liabilities at initial recognition. The classification depends on the purpose for which the financial instruments are acquired or incurred. Financial instruments are initially recorded at fair value and, in the case of financial assets or liabilities carried at amortized cost, adjusted for any directly attributable transaction costs.

The fair value of a financial instrument is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties under no compulsion to act. In certain circumstances, the initial fair value may be based on other observable current market transactions in the same instrument without modification or on a valuation technique using market based inputs. For any non-current financial instruments, fair value is estimated based on discounted future cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks.

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or are assigned and all the risks and rewards of ownership have been transferred to a third party. Financial liabilities are derecognized when the related obligation expires, is discharged or cancelled.

The Company's financial instruments consist of the following:

| Financial instrument | Classification | Measurement |
|---|---|---|
| Cash | Amortized cost | Amortized cost |
| Amounts receivable | Amortized cost | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost | Amortized cost |

(i) Financial assets

The Company's financial assets are classified and measured based on both the business model in which the assets are managed and the contractual cash flow characteristics of the asset. Financial assets subsequent to initial recognition are classified and measured based on three categories: (i) amortized cost; (ii) fair value through other comprehensive income (FVTOCI) or (iii) fair value through profit and loss (FVTPL).

*Financial assets at amortized cost*

Financial assets are recorded at amortized cost when financial assets are held with the objective of collecting contractual cash flows and those cash flows represent solely payments of principal and interest and are not designated as FVTPL. These assets are measured at amortized cost subsequent to initial recognition using the effective interest method. This method uses an effective interest rate that discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**3. Significant accounting policies (continued)**

m. Financial instruments (continued)

(i) Financial assets (continued)

*Financial assets at FVTOCI*

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

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income (loss). Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in other comprehensive income (loss). The cumulative gain or loss is not reclassified to income or loss on disposal of the instrument, instead, it is transferred to retained earnings (deficit). Regular way transactions are recorded on a trade date basis.

The Company currently has no financial assets designated at FVTOCI.

*Financial assets at FVTPL*

These financial assets are neither held at amortized cost nor at FVTOCI as they are managed and evaluated on a fair value basis. These financial assets are measured at fair value subsequent to initial recognition. Net gains and losses, including any interest or dividend income, are recognized in profit or loss unless they are derivative instruments designated in an effective hedging relationship.

(ii) Financial liabilities

Financial liabilities are initially measured at fair value and subsequent to initial recognition are classified and measured based on two categories: (i) amortized cost; or (ii) FVTPL.

*Financial liabilities at amortized cost*

Financial liabilities classified at amortized cost are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

*Financial liabilities at FVTPL*

A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or designated as FVTPL on initial recognition. Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss unless they are derivative instruments designated in an effective hedging relationship.

**3. Significant accounting policies (continued)**

n. Impairment

(i) Financial assets

At each reporting date, each financial asset subsequently measured at amortized cost is assessed for impairment using an expected credit loss (ECL) model. The Company applies the general approach for its other receivables. Receivables are classified as impaired when there is objective evidence that the full carrying amount of the receivable is not collectible.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets, other than exploration and evaluation assets, to determine whether there is an indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Exploration and evaluation assets are reviewed for impairment only when facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

o. Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions and exercise judgment in applying the Company's accounting policies. These estimates, assumptions and judgments may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Estimates and judgments made by management in the ongoing application of IFRS that have a significant effect on the financial statements are outlined below:

*Valuation of exploration and evaluation assets*

The value of exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves which in turn is dependent on future precious metals and mineral prices, future capital expenditures and environmental and regulatory restrictions. The decision to transfer assets from exploration and evaluation assets to property and equipment is based on estimated proven and probable reserves which are in part used to determine a project’s technical feasibility and commercial viability.

## 3. Significant accounting policies (continued)

o. Use of estimates and judgments (continued)

*Going concern*

These statements have been prepared on the assumption that the Company is able to continue as a going concern. Additional information relating to the going concern assumption is disclosed in Note 1.

*Deferred tax assets*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management's assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

p. Recent accounting announcements

Standards issued but not yet effective up to the date of issuance of the these financial statements are listed below. The listing is of the standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective, unless earlier application is permitted and determined to be more efficient. The Company does not expect the impact of these new standards on its financial statements to be significant.

*IFRS 17 Insurance Contracts*

IFRS 17 specifies how to recognize, measure, present and disclose information relating to insurance contracts. The standard requires entities to disclose their rights and obligations under insurance contracts that it has issued or currently holds. This standard is effective for annual periods beginning on or after January 1, 2023. Management is of the opinion that this standard will have no significant impact on the Company's financial statements.

*IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non- Current*

In January 2020, the IASB issued amendments to IAS 1 to specify requirements for classifying liabilities as current or non-current in the statement of financial position. The amendments affect only the presentation of liabilities in the statement of financial position and not the amount or timing of their recognition. It clarifies that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments are effective for annual periods beginning on or after January 1, 2023. Management is of the opinion that this standard will have no significant impact on the Company's statement of financial position.

## 4. Amounts receivable

| | As at April 30, 2023 |
|---|---|
| | $ |
| Good and service tax recoverable | 9,098 |
| Subscriptions receivable | 56,900 |
| Total | 65,998 |

The Company received $56,900 subscriptions subsequent to April 30, 2023.

## 5. Equipment

The Company's equipment consists of the following:

| | Equipment |
|---|---|
| **Cost** | $ |
| Balance, Incorporation on August 29, 2022 | - |
| Additions | 11,751 |
| Balance, April 30, 2023 | 11,751 |

As at April 30, 2023, the equipment was not in use, therefore, it is not subject to amortization. Amortization will commence when the equipment is available for use.

## 6. Exploration and evaluation assets

(a) The Company has capitalized the following amounts as at April 30, 2023:

| | Fulford Township | Phillip Township | Total |
|---|---|---|---|
| | $ | $ | $ |
| Balance, Incorporation on August 29, 2022 | - | - | - |
| Acquisition | 34,000 | 32,500 | 66,500 |
| Exploration expenditures | - | 123,327 | 123,327 |
| Balance, April 30, 2023 | 34,000 | 155,827 | 189,827 |

Included in exploration expenditure is $16,400 paid to related parties (Note 12).

(b) Fulford Township Gold Property option agreement

On February 10, 2023, the Company entered into an agreement to acquire a 100% interest in 40 claims identified as Fulford Township. Upon signing of the agreement the Company paid $10,000 and issued 125,000 common shares valued at $12,500 (Note 10). On March 15, 2023, the agreement was amended and under the amended terms of the agreement the Company acquired an additional 20 claims for a total of 60 claims. Upon signing of the amended agreement the Company paid $1,500 and issued 100,000 common shares valued at $10,000 (Note 10). The Company has agreed to pay additional consideration for these options as follows:

| | |
|---|---|
| On or before August 10, 2023 | $10,000 and 150,000 common shares |
| On or before February 10, 2024 | $20,000 and 175,000 common shares |
| On or before February 10, 2025 | $30,000 and 200,000 common shares |
| On or before February 10, 2026 | $50,000 and 250,000 common shares |

The vendor has retained a 1.5% Net Smelter Return ("NSR") in the the property of which the Company has the right to purchase 0.5% of the NSR for $500,000 at any time with the remaining 1.0% NSR being negotiable.

On August 10, 2023, the Company paid $10,000 and issued 150,000 common shares under the terms of this agreement (Note 15).

## 6. Exploration and evaluation assets (continued)

(c) Phillip Township Property option agreement

On August 25, 2022, the Company entered into an agreement to acquire a 100% interest in 135 claims identified as Phillip Township. Upon signing of the agreement the Company paid $20,000 and issued 125,000 common shares valued at $12,500 (Note 10). On March 15, 2023, the agreement was amended to allow the Company acquire additional 90 claims. The Company has agreed to pay additional consideration for these options as follows:

| | |
|---|---|
| On or before September 25, 2023 | $35,000 and 150,000 common shares |
| On or before September 25, 2024 | $40,000 and 175,000 common shares |
| On or before September 25, 2025 | $45,000 and 200,000 common shares |
| On or before September 25, 2026 | $50,000 and 250,000 common shares |

The vendor has retained a 2.5% NSR in the property of which the Company has the right to purchase 1.5% of the NSR at a rate of $500,000 per 0.5% at any time.

## 7. Income taxes

(a) Losses

As at April 30, 2023, the Company has total non-capital losses available for carryforward to reduce future years' taxable income totaling $111,050 which expire in 2043.

The Company has not recognized the potential income tax benefits that may be derived from these tax losses due to uncertainty that the benefits will be realized.

(b) Income tax recovery differs from the amount that would be computed by applying the combined federal and provincial statutory income tax rate of 27%. The reasons for the differences are as follows:

| | | |
|---|---|---|
| Loss before income taxes | $ | 97,681 |
| Combined statutory income tax rate | | 27% |
| Expected income tax recovery | | 26,374 |
| Non-deductible items | | 3,610 |
| Renunciation of flow-through tax benefits | | (12,190) |
| Unrecognized deferred tax assets | | (17,794) |
| Income tax recovery | $ | - |

## 7. Income taxes (continued)

(c) The components of the Company's net deferred income tax asset (liability) at April 30, 2023 are as follows:

| | | |
|---|---|---|
| **Deferred income tax assets (liabilities):** | | |
| Operating loss carryforwards | $ | 29,984 |
| Exploration and evaluation assets | | (12,190) |
| Deferred income tax assets | | 17,794 |
| Deferred tax assets not recognized | | (17,794) |
| Net deferred income tax asset (liability) | $ | - |

In assessing the recognition of deferred tax assets, management considers the extent that it is probable that future taxable income will be available against which deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which any temporary differences become deductible. Management considers the scheduled reversal of any deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

## 8. Flow-through shares premium liabilities

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

| | $ |
|---|---|
| Balance, Incorporation on August 29, 2022 | - |
| Liability incurred on flow-through shares issued | 89,920 |
| Recovery of flow-through shares premium | (18,043) |
| Balance, April 30, 2023 | 71,877 |

On December 31, 2022, the Company issued 1,125,000 flow-through units for gross proceeds of $225,000. Each flow- through unit consists of one flow-through common share of the Company and one-half of one non-flow-through common share purchase warrant (“Series B warrants”). Each Series B warrant entitles the holder to acquire one additional non-flow-through common share of the Company at an exercise price of $0.25 per warrant with an expiry of 24 months from the date of issuance. The Company allocated $87,473 to flow-through premium liability (Note 10).

On April 30, 2023, the Company issued 50,000 flow-through units for gross proceeds of $10,000. Each flow- through unit consists of one flow-through common share of the Company and one-half of one non-flow-through common share purchase warrant (“Series D warrants”). Each Series D warrant entitles the holder to acquire one additional non-flow-through common share of the Company at an exercise price of $0.25 per warrant with an expiry of 24 months from the date of issuance. The Company allocated $2,447 to flow-through premium liability (Note 10).

Included in accounts payable and accrued liabilities at April 30, 2023 is $2,222 of Part XII. 6 tax related to renunciation of certain flow-through tax benefits with an effective date of December 31, 2022. The Company is committed to incur $225,000 in flow-through funds on or before December 31, 2023 subject to Part XII.6 tax.

## 9. Equity Drawdown Facility

On March 10, 2023, the Company entered into a non-revolving equity drawdown facility ("Facility") with Crescita Capital LLC ("Crescita") that allows the Company to utilize funding for an aggregate amount of $5,000,000. The Company can draw down funds from the Facility from time to time during the three-year term at the Company's discretion by providing a notice ("Drawdown Notice") to the investor Crescita, and in return for each Drawdown Notice, the Company will allot and issue fully paid shares to the Investor.

In connection with the Facility, the Company paid a 3% commission in shares (1,500,000 common shares valued at $150,000) and issued share purchase warrants equal to 8% of the outstanding shares of the Company at the time of closing of the Facility (1,395,000 share purchase warrants valued at $92,236). Each Fee warrant entitles the holder to acquire one additional non-flow-through common share of the Company at an exercise price of $0.15 per warrant with an expiry of 36 months from the date of issuance (Note 10). The value of the financing fees is recorded as a deferred financing charges and is being amortized as share issue costs based on the amount drawn down from the Facility. As at April 30, 2023, the carrying amount of the deferred financing charges is $230,743.

## 10. Share capital

a. Authorized

Authorized share capital consists of an unlimited number of common shares.

b. Shares issued during the period from Incorporation on August 29, 2022 to April 30, 2023 are as follows:

(i) On September 1, 2022, the Company issued 4,999,997 shares at a price of $0.01145 per share for total cash proceeds of $57,250.

(ii) On December 31, 2022, the Company closed a non-brokered private placement initially announced on September 1, 2022. A total of 3,087,500 non-flow-through units at a purchase price of $0.10 per unit were issued for total cash proceeds of $308,750.. Each non-flow-through unit consists of one non-flow- through common share of the Company and one non-flow-through common share purchase warrant (Series C warrants). Each Series C warrant entitles the holder to acquire one additional non-flow-through common share of the Company at an exercise price of $0.15 per warrant with an expiry of 24 months from the date of issuance. The value allocated to the warrants was $Nil.

Concurrently, the Company issued 1,125,000 flow-through units at a purchase price of $0.20 per unit for total cash proceeds of $225,000. Each flow- through unit consists of one flow-through common share of the Company and one-half of one non-flow-through common share purchase warrant (Series B warrants). Each Series B warrant entitles the holder to acquire one additional non-flow-through common share of the Company at an exercise price of $0.25 per warrant with an expiry of 24 months from the date of issuance. The Company allocated $112,500 to shares, $25,027 to warrants and the remaining of $87,473 to flow-through shares premium liabilities (Note 8). The fair value of warrants in the amount of $25,027 was estimated using Black-scholes option pricing model based on the following assumptions: stock price - $0.10; exercise price - $0.25; expected life – 2 years; volatility – 123%; annual rate of dividends – 0% and risk-free rate – 3.96%.

**10. Share capital (continued)**

(iii) On April 30, 2023, the Company closed a non-brokered private placement initially announced on January 12, 2023. A total of 8,729,000 non-flow-through units at a purchase price of $0.10 per unit were issued for total cash proceeds of $872,900. Each non-flow-through unit consists of one non-flow-through common share of the Company and one non-flow-through common share purchase warrant (Series E warrants). Each serries E warrant entitles the holder to acquire one additional non-flow-through common share of the Company at an exercise price of $0.15 per warrant with an expiry of 24 months from the date of issuance. The value allocated to the warrants was $Nil.

Concurrently, the Company issued 50,000 flow-through units at a purchase price of $0.20 per unit for total cash proceeds of $10,000. Each flow- through unit consists of one flow-through common share of the Company and one-half of one non-flow-through common share purchase warrant (Series D warrants). Each Series D warrant entitles the holder to acquire one additional non-flow-through common share of the Company at an exercise price of $0.25 per warrant with an expiry of 24 months from the date of issuance. The Company allocated $5,000 to shares, $2,553 to warrants and the remaining of $2,447 to flow-through shares premium liabilities (Note 8). The fair value of warrants in the amount of $2,553 was estimated using Black-scholes option pricing model based on the following assumptions: stock price - $0.10; exercise price - $0.25; expected life – 2 years; volatility – 136%; annual rate of dividends – 0% and risk-free rate – 3.74%.

(iv) On March 10, 2023, the Company issued 25,000 common shares to Crescita valued at $2,500 as advisory fees to be provided by Crescita.

Concurrently, the Company issued 1,500,000 common shares and 1,395,000 warrants (Fee warrants) valued at $150,000 and $92,236 respectively to Crescita as financing fees related to the Equity Drawdown (Note 9). Each Fee warrant entitles the holder to acquire one additional non-flow-through common share of the Company at an exercise price of $0.15 per warrant with an expiry of 36 months from the date of issuance. The fair value of Fee warrants in the amount of $90,866 was estimated using Black-scholes option pricing model based on the following assumptions: stock price - $0.10; exercise price - $0.15; expected life – 3 years; volatility – 121%; annual rate of dividends – 0% and risk-free rate – 3.45%.

(v) On September 26, 2022 the Company issued 125,000 common shares valued at $12,500 under a mineral property option agreement relating to the Phillip Township property (Note 6).

(vi) On February 10, 2023 the Company issued 125,000 common shares valued at $12,500 under a mineral property option agreement relating to the Fulford Township Gold property (Note 6).

(vii) On March 17, 2023 the Company issued 100,000 common shares valued at $10,000 under an amended mineral property option agreement relating to the Fulford Township Gold property (Note 6).

## 11. Share purchase warrants

The following table summarizes the outstanding warrants as at April 30, 2023:

| | Number outstanding | Exercise price | Expiry date |
|---|---|---|---|
| Series B warrants | 562,500 | $0.25 | December 31, 2024 |
| Series C warrants | 3,087,500 | $0.15 | December 31, 2024 |
| Series D warrants | 25,000 | $0.25 | April 30, 2025 |
| Series E warrants | 8,729,000 | $0.15 | April 30, 2025 |
| Fee warrants | 1,395,000 | $0.15 | March 10, 2026 |
| Total | 13,799,000 | | |

## 12. Related party transactions

The Company incurred the following transactions during the period from Incorporation on August 29, 2022 to April 30, 2023:

| | | |
|---|---|---|
| Richard Rivet, an officer of the Company for management and exploration consulting services | $ | 42,000 |
| Janice Rivet, an individual related to an officer of the Company for administrative services | | 17,725 |
| Andrew Rivet, an individual related to an officer of the Company for exploration consulting services | | 2,400 |
| Claude Charbonneau, a director of the Company for management services | | 8,000 |

These transactions are in the normal course of operations and are measured at the same value as if the transactions had occurred with non-related parties. As at April 30, 2023, there was $Nil due to or from the related parties of the Company.

## 13. Financial instruments and financial risks

In the normal course of operations, the Company is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not meaningfully participate in the use of financial instruments to mitigate these risks. The Company has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

(i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company is exposed to credit risk on certain of its financial assets which are cash which is held with an established Canadian financial institution and the Company's other receivables are primarily from Canadian government entities, from which management believes the risk of loss to be remote. Subscription receivable of $56,900 was received subsequent to April 30, 2023. The Company does not have any derivatives or similar instruments that mitigate its maximum exposure to credit risk.

## 13. Financial instruments and financial risks (continued)

(ii) Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the Company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. It is management's opinion that it is unlikely that the Company will encounter difficulty in raising funds to meet commitments associated with its financial instruments. As at April 30, 2023, the Company has working capital in the amount of $1,122,221.

## 14. Capital management

As the Company is in the exploration stage, its principal source of capital is from the issuance of common shares. The Company's capital management objective is to obtain sufficient capital to maintain its exploration programs for the benefit of its stakeholders. To meet its objectives, management monitors the Company's ongoing capital requirements against unrestricted net working capital and assesses additional capital requirements on specific exploration properties on a case by case basis. The Company is not subject to externally imposed capital requirements or restrictions. Management is of the opinion that the amounts and changes in the Company's capital is readily determinable from information provided in these financial statements.

## 15. Subsequent event

On August 10, 2023, the Company paid $10,000 and issued 150,000 common shares related to the Fulford Township Gold Property (Note 6).