ORESTONE MINING CORP.

(An Exploration Stage Company)

Consolidated Financial Statements
(Audited)

For the years ended
January 31, 2023 and 2022

Orestone Mining Corp.
Suite 407 – 325 Howe Street
Vancouver, British Columbia, Canada V6C 1Z7

Trading Symbol: ORS
Telephone: 604-629-1929

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Orestone Mining Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company's ability to continue as a going concern is dependent upon its ability to raise adequate financing to develop its exploration and evaluation assets. These matters, along with other matters as set forth in Note 1, 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are the following key audit matters to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to Note 3 – Significant accounting policies: Exploration and evaluation assets, significant judgments, and significant estimates and assumptions; and Note 6 – Exploration and evaluation assets. Management assesses at each reporting period whether there is an indication that the carrying value of exploration	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: • Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment.

and evaluation assets may not be recoverable. Management applies significant judgment in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the property; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgment.	• Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the property had not expired. • Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is William Nichols.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
May 31, 2023

ORESTONE MINING CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JANUARY 31
(Expressed in Canadian dollars)

	Note	2023	2022
ASSETS			
Current			
Cash		$ 151,297	$ 753,796
Marketable securities	4	-	20
GST receivable		2,158	10,148
Prepaid expenses	8	6,229	65,161
		159,684	829,125
Non-current			
Exploration and evaluation assets	5	3,161,468	2,897,676
Reclamation bonds	5	25,900	25,900
		3,187,368	2,923,576
		$ 3,347,052	$ 3,752,701
LIABILITIES			
Current			
Trade and other payables		$ 25,243	$ 186,381
Deferred premium on flow-through shares	12	-	51,929
Due to related parties	8	59,478	32,603
		84,721	270,913
SHAREHOLDERS' EQUITY			
Share capital	6	9,408,395	9,408,395
Reserves	6	3,421,445	3,421,445
Deficit		(9,567,509)	(9,348,052)
		3,262,331	3,481,788
		$ 3,347,052	$ 3,752,701

Nature of Operations and Going Concern (Note 1)

These consolidated financial statements are authorized for issue by the Board of Directors on May 31, 2023

They are signed on the Company's behalf by:

"David Hottman"	***"Gary Nordin"***
David Hottman, Director	Gary Nordin, Director

ORESTONE MINING CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED JANUARY 31
(Expressed in Canadian dollars)

	Note	2023	2022
Expenses			
Filing fees		$ 10,531	$ 23,409
Investor relations		-	56,145
Marketing		18,661	-
Office, rent and miscellaneous	8	41,781	50,152
Professional fees	8	83,224	68,144
Salaries, benefits and consulting fees	8	119,847	209,247
Share-based payments	8	-	192,909
Travel	8	3,903	2,577
		277,947	602,583
Other items			
Flow-through share premium reversal	12	(51,929)	(91,748)
Foreign exchange loss (gain)		(4,894)	743
Commission charges		20	-
Loss on sale of marketable securities	4	5	-
Gain on sale of subsidiary	3	(1,688)	-
Write off of IVA receivable		-	40,880
Interest income		(4)	(37)
		(58,490)	(50,162)
Net loss before income taxes		219,457	552,421
Total comprehensive loss for the year		$ 219,457	$ 552,421
Basic and diluted loss per share	7	$ 0.00	$ 0.01
Weighted average number of common shares outstanding	7	56,660,232	54,274,971

ORESTONE MINING CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share capital		Reserves				
	Number of shares	**Amount**	**Warrants**	**Agent's Warrants**	**Share-based payments**	**Deficit**	**Total shareholders' equity**
Balance as at January 31, 2021	39,247,829	$ 8,100,841	$ 1,806,188	$ 98,399	$ 999,041	$ (8,795,631)	$ 2,208,838
Shares issues:							
Private placement	17,412,403	1,529,562	324,908	-	-	-	1,854,470
Share issurance costs	-	(78,331)	-	-	-	-	(78,331)
Flow-through share premium	-	(143,677)	-	-	-	-	(143,677)
Share-based payments	-	-	-	-	192,909	-	192,909
Net loss	-	-	-	-	-	(552,421)	(552,421)
Balance as at January 31, 2022	**56,660,232**	**9,408,395**	**2,131,096**	**98,399**	**1,191,950**	**(9,348,052)**	**3,481,788**
Net loss	-	-	-	-	-	(219,457)	(219,457)
Balance as at January 31, 2023	**56,660,232**	**$ 9,408,395**	**$ 2,131,096**	**$ 98,399**	**$ 1,191,950**	**$ (9,567,509)**	**$ 3,262,331**

ORESTONE MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JANUARY 31
(Expressed in Canadian dollars)

	Note	2023	2022
Cash provided by (used for):			
Operating activities			
Net loss		$ (219,457)	$ (552,421)
Items not involving cash:			
Share-based payments		-	192,909
Loss on revaluation of marketable securities		-	17
Loss on sale of marketable securities		5	-
Gain on sale of subsidiary		(1,688)	-
Flow-through premium reversal	12	(51,929)	(91,748)
Write-off of IVA receivable		-	40,880
Foreign exchange loss		-	4,810
Changes in non-cash working capital items:			
GST receivable		7,990	6,434
Prepaid expenses		58,932	(52,441)
Trade and other payables		(161,138)	8,473
Due to related parties		26,875	(11,526)
Cash (used in) operating activities		(340,410)	(454,613)
Investing activities			
Exploration and evaluation assets	5	(263,792)	(691,161)
BC METC refund		-	64,612
Reclamation bond		-	(10,900)
Cash (used in) investing activities		(263,792)	(637,449)
Financing activities			
Net proceeds from the private placement	6	-	1,776,139
Proceeds from sale of subsidiary	3	1,688	-
Proceeds from sale of marketable securities	4	15	-
Cash provided by financing activities		1,703	1,776,139
Net increase (decrease) in cash		(602,499)	684,077
Cash - beginning of the year		753,796	69,719
Cash - end of the year		$ 151,297	$ 753,796

Supplemental disclosure with respect to cash flows:

		2023	2022
Exploration and evaluation assets in trade and other payables, and due to related parties		$ 40,000	$ 174,175

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Orestone Mining Corp. (the "Company" or "Orestone") was incorporated under the Business Corporations Act (British Columbia) on April 30, 2007 and its principal business activity is the acquisition and exploration of mineral properties. The address of the Company's registered and head office is 19th Floor, 885 West Georgia Street, Vancouver, BC V6C 3H4. The Company's shares are listed on the TSX Venture Exchange and trade under the symbol "ORS".

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its exploration and evaluation assets, and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and is considered to be in the exploration stage. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Management's plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity and reducing overhead costs. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated financial statements of financial position. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary should the Company be unable to continue in existence.

Due to the unfolding crisis in the Ukraine the Company may be exposed to new risks and uncertainties. In our case this is mainly a capital markets risk relating to financing and to lesser extent potential higher energy related costs.

		January 31, 2023		January 31, 2022
Deficit	$	(9,567,509)	$	(9,348,052)
Working capital	$	74,963	$	558,212

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance and compliance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for marketable securities classified and measured at fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

2. BASIS OF PRESENTATION, (Continued)

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the January 31, 2023 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued, but are not yet effective:

- Amendments to IAS 1, Presentation of Financial Statements (effective January 1, 2023)

IAS 1, Presentation of Financial Statements
The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. 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.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's accounting policies include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the assessment as to whether any impairment exists on the Company's exploration and evaluation assets.

3. SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Basis of consolidation

Subsidiaries
The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (its “subsidiaries”). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Company’s subsidiaries are:

	% of ownership	Jurisdiction	Principal activity
Intuitive Exploration Inc.	100%	Canada	Exploration company
Cerro Golpe De Rayo SpA (1)	100%	Chile	Exploration company

(1) On December 20, 2022, the Company sold the shares of Cerro Golpe De Rayo SpA for net proceeds of $3,842 (US$2,750). As a result, the Company recognized a gain on sale of subsidiary of $1,688.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases.

Inter-company balances and transactions
Inter-company balances and transactions, including unrealised income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits and short-term highly liquid investments with the original term to maturity of three months or less, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of changes in value. At January 31, 2023, the Company had $151,297 in cash.

Foreign currency translation

Functional currency
The functional currency of the Company and its subsidiaries is measured using the currency of the primary economic environment in which those entities operate. The consolidated financial statements are presented in Canadian dollars, which are the presentation and the functional currency of the parent company and its subsidiaries.

Transactions and balances
Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates that prevailed at the period end exchange rate. Non-monetary items are translated at historical exchange rates, except for items carried at market value, which are translated at the rate of exchange in effect at the period end exchange rate. Revenue and expenses are translated at average rates of exchange during the period. Exchange gains or losses arising on foreign currency translation are included in the determination of operating results for the year.

3. SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Mining exploration tax credits from the Government of British Columbia ("BC METC") for certain exploration expenditures incurred in British Columbia are treated as a reduction of the exploration and development costs of the respective exploration property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Restoration and environmental obligations

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, the sale or abandonment of the respective areas of interest.

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

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets

The Company currently has no known material rehabilitation and environmental costs. The Company however has reclamation bonds in place in the amount of $25,900 in respect of the Captain property (Note 5).

3. SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Impairment of non-financial assets

The carrying amount of the Company's long-lived assets (which include exploration and evaluation assets) is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as a charge in the statement of comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a recovery in the consolidated statement of comprehensive loss for the period.

Share-based payments

The Company grants share purchase options to directors, officers, employees and consultants to purchase common shares. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year.

Basic and diluted losses per common share are calculated using the weighted-average number of common shares outstanding during the year.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. On initial recognition, financial assets are classified and measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI").

The following financial assets are classified as measured at amortized cost - cash and reclamation bonds. The following financial asset is classified as fair value through profit or loss – marketable securities.

3. SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Financial instruments, (Continued)

The following financial liabilities are classified as measured at amortized cost – trade and other payables and due to related parties.

The classification of financial assets is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of loss and comprehensive loss.

Income taxes

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Segment reporting

Until the Company sold its shares in Cerro Golpe on December 20, 2022, the Company operated in two geographical segments, being Canada and Chile, and a single reporting segment, being the acquisition, exploration and development of mineral property interests. Since then, the Company only operates in one geographical segment being Canada.

Flow-through common shares

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or “premium,” are recorded as a deferred charge. As expenditures are renounced, the charge is reversed. The net amount is recognized as flow-through share premium reversal.

4. MARKETABLE SECURITIES

During fiscal 2023, the Company sold its shares for net proceeds of $15, resulting in loss on sale of marketable securities of $5.

January 31, 2022	Shares	Cost	Fair Market Value
Millrock Resources Inc.	333	$ 75	$ 20

5. EXPLORATION AND EVALUATION ASSETS

Captain Property

The Company owns a 100% interest in certain mineral claims comprising the Captain Property located near Fort St. James, British Columbia. A portion of these claims are subject to a 1% net smelter returns royalty on gold produced from these claims, of which 0.5% can be purchased by the Company at any time for $500,000.

As at January 31, 2023, the Company had issued a $25,900 reclamation bond (January 31, 2022 - $25,900) to the Ministry of Energy, Mines and Petroleum Resources of British Columbia to guarantee reclamation of the environment on the Captain Property.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS, (Continued)

	Captain Property
Property acquisition costs	
Balance, January 31, 2022	$ 301,554
Permitting and licensing	500
Staking claims	27,629
Balance, January 31, 2023	329,683
Deferred exploration costs	
Balance, January 31, 2022	2,956,498
Assays	4,703
Core and core cutting	1,350
Drilling	54,979
Field supplies	365
Maps, drafting, reproductions	7,414
Geological consulting	92,431
Geophysics	49,490
Other exploration expenditures	5,107
Travel and accommodation	7,181
Meals	7,944
Truck rental	4,699
Balance, January 31, 2023	3,192,161
Mining exploration tax credit	
Balance, January 31, 2022	(360,376)
Additions	-
Balance, January 31, 2023	(360,376)
Total	$ 3,161,468

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS, (Continued)

	Captain Property
Property acquisition costs	
Balance, January 31, 2021	$ 301,554
Additions	-
Balance, January 31, 2022	301,554
Deferred exploration costs	
Balance, January 31, 2021	2,289,208
Assays	9,670
Drilling	519,405
Field supplies and maps	11,728
Geological consulting	55,783
Road maintenance	62,558
Other	8,146
Balance, January 31, 2022	2,956,498
Mining exploration tax credit	
Balance, January 31, 2021	(295,764)
Additions	(64,612)
Balance, January 31, 2022	(360,376)
Total	$ 2,897,676

6. SHARE CAPITAL

a. Authorized

There are an unlimited number of common shares without par value.

b. Share issuance

Fiscal 2022

On March 23, 2021, the Company completed a non-brokered private placement of units (“Units”) and flow-through common shares (“Flow-Through Shares”) for $1,853,118 (the “Offering”). In part “A” of the Offering, the Company issued 10,228,556 Units at a price of $0.09 per Unit for gross proceeds of $920,570. Each Unit consisted of one common share of the Company (“Common Share”) and one common share purchase warrant (“Warrant”). Each Warrant is exercisable for one Common Share at a price of $0.15 until March 23, 2022. In part “B” of the Offering, the Company issued 7,183,847 Flow-Through Shares at a price of $0.13 per Flow-Through Share for gross proceeds of $933,901. The Warrants were ascribed a value of $368,228 under the Black- Scholes valuation model with the residual being allocated to share capital. Finders’ fees amounting to $61,846 were paid in connection with the Offering. The Company also incurred additional share issue costs of $16,485 related to this Offering.

c. Share purchase option compensation plan

The Company has adopted an incentive share option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX Venture Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares to be outstanding at closing. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares.

(Expressed in Canadian dollars)

6. SHARE CAPITAL, (Continued)

c. Share purchase option compensation plan, (Continued)

The continuity of options is as follows:

Expiry date	Exercise price ($)	January 31, 2021	Issued	Expired / cancelled	January 31, 2022	Issued	Expired / cancelled	January 31, 2023
November 22, 2022	0.15	385,000	-	(35,000)	350,000	-	(350,000)	-
March 2, 2023	0.12	-	400,000	(400,000)	-	-	-	-
April 28, 2023*	0.15	400,000	-	-	400,000	-	-	400,000
October 4, 2023	0.15	150,000	-	-	150,000	-	-	150,000
June 3, 2024	0.15	1,015,000	-	(100,000)	915,000	-	-	915,000
August 29, 2024	0.20	290,000	-	-	290,000	-	-	290,000
June 8, 2025	0.12	1,150,000	-	-	1,150,000	-	-	1,150,000
April 1, 2026	0.12	-	1,615,000	-	1,615,000	-	-	1,615,000
Options outstanding		3,390,000	2,015,000	(535,000)	4,870,000	-	(350,000)	4,520,000
Options exercisable		3,390,000	503,750	(535,000)	4,870,000	-	(350,000)	4,520,000
Weighted average exercise price ($)		$ 0.14	$ 0.12	$ 0.13	$ 0.14	$Nil	$ 0.15	$ 0.13

*Subsequently, these options expired unexercised.

At January 31, 2023, the weighted average remaining life of the outstanding and exercisable options is 2.15 years (January 31, 2022 – 2.98 years).

The assumptions used in the Black Scholes Option Pricing Model to estimate the fair value of options were:

	2023	2022
Risk-free interest rate	Nil	0.92% - 1.27%
Expected stock price volatility	Nil	157.16% - 178.33%
Expected option life in years	Nil	5 years
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

(Expressed in Canadian dollars)

6. SHARE CAPITAL, (Continued)

d. Warrants

Expiry date	Exercise price ($)	January 31, 2021	Issued	Expired	January 31, 2022	Expired	January 31, 2023
April 28, 2021	0.15	10,005,545	-	(10,005,545)	-	-	-
March 23, 2022	0.15	-	10,228,556	-	10,228,556	(10,228,556)	-
May 29, 2022	0.12	10,625,000	-	-	10,625,000	(10,625,000)	-
Warrants outstanding		20,630,545	10,228,556	(10,005,545)	20,853,556	(20,853,556)	-
Weighted average exercise price ($)		$ 0.13	$ 0.15	$ 0.15	$ 0.13	$ 0.13	$Nil

At January 31, 2023, the weighted average remaining life of the outstanding warrants is nil (January 31, 2022 – 0.23 year).

The assumptions used in the Black Scholes Option Pricing Model to estimate the fair value of warrants were:

	2023	2022
Risk-free interest rate	Nil	0.26%
Expected stock price volatility	Nil	169.77%
Expected option life in years	Nil	1 year
Expected dividend yield	Nil	Nil

e. Reserves

The reserves account records items recognized as share-based payments expense and other share-based payments. When stock options are exercised, the corresponding amount will be transferred to share capital. Amounts recorded for forfeited or expired unexercised options remain in the reserves account. Amounts recorded for exercised, cancelled or expired warrants remain in the reserves account.

7. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended January 31, 2023 was based on the loss attributable to common shareholders of $219,457 (January 31, 2022 – $552,421) and a weighted average number of common shares outstanding of 56,660,232 (January 31, 2022 – 54,274,971).

Diluted loss per share did not include the effect of 4,520,000 stock options (January 31, 2022 – 4,870,000 stock options) and Nil warrants (January 31, 2022 – 20,853,556) since they were anti-dilutive.

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the year ended January 31, 2023:

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
David Hottman Chief Executive Officer, Director	$ 67,200	$Nil	$Nil	$Nil	$Nil	$ 67,200
Mark T. Brown Chief Financial Officer[(a)]	$ 75,700	$Nil	$Nil	$Nil	$Nil	$ 75,700
Bruce Winfield President, Director[(a)]	$ 80,625	$Nil	$Nil	$Nil	$Nil	$ 80,625
Gary D. Nordin Director	$ 44,900	$Nil	$Nil	$Nil	$Nil	$ 44,900
John Kanderka Director	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
James Anderson Director	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Patrick Daniels Director	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil

[(a)] Mark T. Brown and Bruce Winfield receive payments for their services through private companies they control. Please refer to the table on the next page.

For the year ended January 31, 2022:

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
David Hottman Chief Executive Officer, Director	$ 67,200	$Nil	$Nil	$Nil	$ 36,370	$ 103,570
Mark T. Brown Chief Financial Officer[(a)]	$ 58,800	$Nil	$Nil	$Nil	$ 14,436	$ 73,236
Bruce Winfield President, Director[(a)]	$ 86,250	$Nil	$Nil	$Nil	$ 12,723	$ 98,973
Gary D. Nordin Director	$Nil	$Nil	$Nil	$Nil	$ 36,929	$ 36,929
John Kanderka Director	$Nil	$Nil	$Nil	$Nil	$ 7,777	$ 7,777
James Anderson Director	$Nil	$Nil	$Nil	$Nil	$ 23,936	$ 23,936
Patrick Daniels Director	$Nil	$Nil	$Nil	$Nil	$ 4,936	$ 4,936

[(a)] Mark T. Brown and Bruce Winfield receive payments for their services through private companies they control. Please refer to the table on the next page.

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS, (Continued)

Related party transactions and balances:

		During the Year ended		As at	As at
			January 31,	January 31,	January 31,
Amounts due to related parties:	Services for:	2023	2022	2023	2022
David Hottman	Salaries and benefits	$ 67,200	$ 67,200	$ 4,078	$ -
David Hottman	Expenses Reimbursement	-	-	2,271	-
Gary Nordin	Geological consulting	44,900	31,500	40,000	10,500
Bruce Winfield	Expenses Reimbursement	-	-	266	-
A private company with an officer in common with the Company	Accounting, management, financing and rent services	75,700	58,800	4,988	10,290
A private company controlled by President of the Company	Management services	80,625	86,250	7,875	11,813
Total		$ 268,425	$ 243,750	$ 59,478	$ 32,603

Amounts in prepaid expenses:	Services for:				
David Hottman	Funds advanced	$ -	$ -	$ 3,479	$ 10,911
Total		$ -	$ -	$ 3,479	$ 10,911

Amounts owing to/from related parties are non-interest bearing, unsecured, and have no fixed terms of repayment. The changes during the period were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

9. FINANCIAL INSTRUMENTS

The fair value of the Company's cash, receivables and trade and other payables approximate their carrying values.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash is measured using level 1 inputs. There were no transfers between levels 1, 2 and 3.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest risk and market risk.

9. FINANCIAL INSTRUMENTS, (Continued)

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash holdings, reclamation bonds and receivables (excluding GST). The Company manages credit risk by placing cash with major Canadian financial institutions. Management believes that credit risk related to these amounts is low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash and cash equivalents, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

(c) Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk is minimal.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and price risk. The Company is not subject to currency risk as the functional currency is the Canadian dollar. The Company does not use any form of derivative or hedging instruments to reduce its foreign currency risk. The Company is not affected by price risk.

(e) Management of industry risk

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

(f) Currency risk

The Company's property interest in Chile made it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currency. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of $12,812 dominated in US dollars.

(Expressed in Canadian dollars)

10. CAPITAL MANAGEMENT

The Company considers its capital structure to be shareholders' equity represented by assets over liabilities. The Company manages its capital structure based on the funds available to the Company, in order to support acquisition, maintenance, exploration, and development of exploration and evaluation assets.

The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has interests are in the exploration stage so the Company is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed.

The Company is not subject to externally imposed capital restrictions.

11. SEGMENTED FINANCIAL INFORMATION

The Company operates in one industry segment, being the acquisition, exploration and development of mineral property interests. Geographic information is as follows:

		January 31, 2023		January 31, 2022
Non-current assets				
Canada	$	3,187,368	$	2,923,576
	$	3,187,368	$	2,923,576

12. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

		January 31, 2023		January 31, 2022
Balance, beginning of year	$	51,929	$	-
Deferred premium on flow-through shares issued		-		143,677
Reversal of deferred premium on flow-through shares		(51,929)		(91,748)
Balance, end of year	$	-	$	51,929

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended January 31, 2023, the Company incurred the remaining qualified expenditure commitment from the proceeds of flow-through shares issued on March 23, 2021.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as deferred income. As at January 31, 2023, the Company had $Nil remaining in qualifying expenditure commitments.

(Expressed in Canadian dollars)

13. INCOME TAXES

No provision has been made for current income taxes as the Company has no taxable income. A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

		January 31, 2023		January 31, 2022
Net loss for the year	$	(219,457)	$	(552,421)
Statutory tax rate		27.00%		27.00%
Expected income tax recovery		(59,253)		(149,154)
Permanent differences, deductibe and non-deductible amounts		(25,639)		14,786
Change in valuation allowance		84,892		134,368
Income tax recovery	$	-	$	-

The components of the Company's deferred income tax assets and liabilities are estimated as follows:

		January 31, 2023		January 31, 2022
Exploration and evaluation assets	$	1,054,000	$	1,342,000
Loss carry-forwards		7,164,000		6,329,000
Equipment and other		38,000		42,000
Share issuance costs		77,000		118,000
Valuation allowance		(8,333,000)		(7,831,000)
Net deferred income tax assets	$	-	$	-

(Expressed in Canadian dollars)

13. INCOME TAXES, (Continued)

The Company has non-capital losses available for Canadian income tax purposes which may be carried forward to reduce taxable income in future years. If not utilized, the non-capital losses expire as follows:

	Loss carry-forwards
2027	$ 433,766
2028	268,801
2029	186,987
2030	345,938
2031	458,077
2032	550,304
2033	649,026
2034	547,818
2035	350,349
2036	304,988
2037	176,378
2038	178,595
2039	294,586
2040	551,333
2041	576,622
2042	994,110
2043	314,414
	$ 7,182,092