INOMIN MINES INC.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023 AND 2022

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Inomin Mines Inc.:

Opinion

We have audited the consolidated financial statements of Inomin Mines Inc. and its subsidiary (together the "Company"), which comprise the consolidated statements of financial position as at March 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of 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 consolidated financial position of the Company as at March 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits 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 describes conditions indicating 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 for the year ended March 31, 2023. 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 of our auditor's report, we have determined the matter described below to be the key audit matter to be communicated in our report.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Assessment of the existence of impairment indicators for exploration and evaluation assets</td></tr>
<tr><td>Refer to note 4</td><td>Our approach to addressing the matter involved the following procedures, among others:</td></tr>
<tr><td>As at March 31, 2023, the carrying amount of the Company’s exploration and evaluation assets was $753,120.

At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset’s recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any one of the following facts and circumstances:
(i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed;
(ii) substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned;
(iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or
(iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount.

No impairment indicators were identified by management as at March 31, 2023.

We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of whether there existed impairment indicators related to the exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.</td><td>Evaluating the judgments made by management in assessing for the presence of impairment indicators, which included the following:

• Obtained evidence to support the right to explore the properties under the permit titles held by the Company.
• Read the board of directors’ minutes and resolutions, and observed evidence supporting the continued and planned exploration expenditures, which included evaluating events subsequent to March 31, 2023 related to private placements of units to raise funds for continued exploration activities.
• Assessed whether available data indicates the potential for commercially viable mineral resources, of which we noted that there is no currently available data indicating the potential or lack of potential for commercially viable mineral resources.
• Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.</td></tr>
</table>

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

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 and remain alert for indications that the other information 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 in this auditor's report. 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 International Financial Reporting Standards, 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 Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
July 27, 2023

INOMIN MINES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Notes	March 31, 2023 $	March 31, 2022 $
ASSETS			
Current assets			
Cash and cash equivalents		**182,663**	459,489
Receivables		**3,799**	13,563
Securities	4d	**45,000**	115,000
Prepayments		**22,834**	-
Total current assets		**254,296**	588,052
Non-current assets			
Exploration and evaluation assets	4	**753,120**	707,049
Security deposit on exploration and evaluation assets	4a	**55,000**	55,000
Total non-current assets		**808,120**	762,049
TOTAL ASSETS		**1,062,416**	1,350,101
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	**61,566**	60,449
Flow-through premium liability	5	**-**	4,480
TOTAL LIABILITIES		**61,566**	64,929
EQUITY			
Share capital	5	**2,408,229**	2,144,590
Shares to be issued	5b	**-**	132,720
Reserve		**364,703**	407,357
Deficit		**(1,772,082)**	(1,399,495)
TOTAL EQUITY		**1,000,850**	1,285,172
TOTAL LIABILITIES AND EQUITY		**1,062,416**	1,350,101

Nature of operations and going concern	1
Subsequent events	11

Approved and authorized for issue by the Board of Directors on July 27, 2023

On behalf of the Board:

"Evilio Gomez-Garcia" Director "*Anil Jiwani"* Director

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

INOMIN MINES INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars, except for number of shares)

	Notes	For the year ended March 31, 2023 $	For the year ended March 31, 2022 $
Operating expenses			
Filing fees		**15,903**	17,436
Insurance		**9,166**	-
Interest and bank charges		**1,835**	1,988
Marketing and investor communications		**50,334**	69,607
Listing fees		**5,704**	5,200
Management fees	8	**60,000**	48,000
Office costs		**6,600**	9,971
Professional fees	8	**103,789**	102,299
Share-based compensation	5	**-**	232,935
Travel costs		**16,103**	-
Total operating expenses		**(269,434)**	(487,436)
Other items			
Write off of exploration and evaluation asset	4	**(38,314)**	-
Unrealized loss on securities	4d	**(70,000)**	(27,500)
Recovery in excess of cost for the King's Point project	4d	**-**	190,000
Flow through premium liability recovery	5	**4,480**	67,070
Foreign exchange gain		**681**	-
Net loss and comprehensive loss for the year		**(372,587)**	(257,866)
Loss per common share			
Basic and fully diluted		**(0.01)**	(0.01)
Weighed average number of common shares outstanding		**30,923,891**	26,917,016

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

(Expressed in Canadian dollars, except for number of shares)

	Number of Shares	Share Capital $	Shares to be issued $	Reserve $	Deficit $	Total $
Balance, March 31, 2021	24,474,264	1,707,040	-	164,973	(1,141,629)	730,384
Private placement – flow-through shares	2,862,000	357,750	-	-	-	357,750
Flow-through shares premium liability	-	(71,550)	-	-	-	(71,550)
Private placement – non - flow - through shares	1,170,000	117,000	-	-	-	117,000
Exercise of warrants	755,246	75,769	132,720	-	-	208,489
Fair value of warrants exercised	-	3,037	-	(3,037)	-	-
Finders fees and other issuance cost	-	(31,970)	-	-	-	(31,970)
Finders warrants	-	(12,486)	-	12,486	-	-
Share-based compensation	-	-	-	232,935	-	232,935
Net loss and comprehensive loss for the year	-	-	-	-	(257,866)	(257,866)
Balance, March 31, 2022	29,261,510	2,144,590	132,720	407,357	(1,399,495)	1,285,172
Exercise of warrants	1,049,900	157,485	(132,720)		-	24,765
Fair value of warrants exercised		7,057	-	(7,057)	-	-
Exercise of options	635,000	63,500	-	-	-	63,500
Fair value of options exercised		35,597	-	(35,597)	-	-
Net loss and comprehensive loss for the year	-	-	-	-	(372,587)	(372,587)
Balance, March 31, 2023	30,946,410	2,408,229	-	364,703	(1,772,082)	1,000,850

INOMIN MINES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	For the year ended March 31, 2023 $	For the year ended March 31, 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	**(372,587)**	(257,866)
Items not involving cash:		
Write off of exploration and evaluation assets	**38,314**	-
Share-based compensation	**-**	232,935
Recovery in excess of cost from the King's Point project	**-**	(190,000)
Unrealized loss on securities	**70,000**	27,500
Flow-through premium recovery	**(4,480)**	(67,070)
Changes in non-cash working capital items:		
Receivables	**9,764**	(12,002)
Prepayments	**(22,834)**	-
Accounts payable and accrued liabilities	**5,619**	9,821
Net cash used in operating activities	**(276,204)**	(256,682)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration costs	**(88,185)**	(438,445)
Proceeds from disposal of King's Point property	**-**	125,000
Net cash used in investing activities	**(88,185)**	(313,445)
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds received on private placement, net of finders' fees	**-**	442,780
Proceeds from the exercise of options	**63,500**	-
Proceeds from the exercise of warrants	**24,765**	75,769
Funds received in advance for warrants exercise	**-**	132,720
Net cash provided by financing activities	**88,265**	651,269
Change in cash and cash equivalents for the year	**(276,124)**	81,142
Impact of foreign exchange	**(702)**	-
Cash and cash equivalents at beginning of year	**459,489**	378,347
Cash and cash equivalents at the end of year	**182,663**	459,489
Cash	**122,663**	459,489
Cash equivalents	**60,000**	-
Total cash and cash equivalents at the end of year	**182,663**	459,489
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Fair value of warrants and options exercised	**42,654**	3,037
Fair value of securities received for exploration and evaluation assets	**-**	65,000
Exploration and evaluation costs payable	**3,800**	7,112

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Inomin Mines Inc. (the "Company" or “Inomin”) was incorporated under the Business Corporations Act (British Columbia) on August 23, 2012, and is an exploration stage public company whose shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol “MINE”. The Company’s principal purpose is the identification, acquisition, and exploration of mineral properties. The Company's principal place of business is 700 West Georgia Street, Suite 2200, Vancouver, British Columbia V7Y 1K8, Canada.

These consolidated financial statements are prepared on 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 Company is in the process of exploring its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to fund property commitments and to complete the exploration and development of the properties and upon achieving future profitable production or proceeds from the disposition thereof.

The Company has an accumulated deficit of $1,772,082 as at March 31, 2023 (2022 – $1,399,495) and incurred a net loss and comprehensive loss of $372,587 for the year ended March 31, 2023 (2022 – $257,866). In addition, during the year ended March 31, 2023, the Company used cash flows in operations of $276,204 (2022 – $256,682). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt. Subsequent to the year ended March 31, 2023, the Company completed a private placement to raise $606,950 (Note 11). While the Company has been successful in securing financing, there is no assurance that it will be able to do so in the future or on terms that are favourable to the Company. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

2. BASIS OF PRESENTATION

Statement of Compliance
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

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

These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

Basis of consolidation
These consolidated financial statements include the financial statements of the Company and its 100% controlled Mexican subsidiary, Minera Rio Dorado S.A. de C.V. A subsidiary is an entity in which the Company has control, directly or indirectly. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany transactions and balances have been eliminated.

Critical estimates and judgements
The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and expenses. Actual results may differ significantly from these estimates.

Critical judgements

Significant judgements made by management affecting the consolidated financial statements include:

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

Key sources of estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates made by management affecting the consolidated financial statements include:

Share-based payments and share issue costs

Estimating fair value for granted stock options and warrants issued as compensation or for share issuance costs requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the option or warrant, volatility, dividend yield, risk-free discount rate and rate of forfeitures and making assumptions about them.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash equivalents
The Company considers all highly liquid instruments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value to be cash equivalents.

Financial instruments
Recognition
The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled, or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement
The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and

ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition). The classification and measurement bases of the Company's financial instruments are as follows:

Financial Instrument	**Classification**
Cash and cash equivalents	FVTPL
Securities	FVTPL
Security deposit on exploration and evaluation assets	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

After initial recognition at fair value, financial liabilities are classified and measured at either:
i) amortized cost;
ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs for all classifications of financial instruments, other than those at FVTPL, that are directly attributable to the acquisition or issuance of a financial asset or financial liability are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

Financial instruments that are classified and measured at amortized cost utilize the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period. Interest expense is reported in profit or loss.

Impairment
The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

Income taxes
Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date and which are expected to be applicable in the period(s) in which realization or settlement of the carrying amount of assets and liabilities is expected to occur.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Flow-through shares

Resource expenditure deductions for income tax purposes may be renounced to investors in accordance with income tax legislation for flow-through share arrangements. On issuance of flow-through common shares, the Company bifurcates the flow-through share proceeds into: (i) share capital, for the fair value of common shares without a flow-through feature (based on quoted trading prices), and (ii) a flow-through share premium liability, for the amount investors pay for the flow-through feature (in excess of the quoted trading price of the common shares). As resource expenditures are incurred, the Company derecognizes the liability and recognizes other income.

Proceeds from the issuance of flow-through shares are restricted, to be used only for Canadian resource expenditures, and must be incurred within a two-year period before a 10% penalty tax applies on any unspent amount that has been renounced.

Share capital

Common shares are classified as equity. Common shares issued for consideration other than cash, are measured at fair value at the date of issuance.

Share issue costs

Costs directly identifiable with the raising of capital are charged against the related share capital, net of any tax effects. Costs related to shares not yet issued are recorded as deferred financing costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs are charged against the related share capital or charged to profit or loss if the shares are not issued. The Company may issue compensatory warrants to brokers and agents, from time to time. The fair value of the warrants is determined using the Black-Scholes option pricing model, and is recognized as share issuance costs, in the equity reserve account, with a corresponding amount charged against share capital.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method allocates the private placement proceeds first to the fair value of the shares issued, and the residual value, if any, is assigned to the warrants.

The fair value of the common shares issued in a private placement is measured using the closing quoted bid price on the issuance date. Any fair value attributed to warrants is recorded in reserve within equity.

Share-based compensation

The Company grants stock options to buy common shares of the Company to Directors, Officers and technical consultants. The Company may also issue compensatory warrants to agents. The Company recognizes share-based compensation expense based on the estimated fair value of the options at grant date. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option pricing model. The fair value of the options is recognized over the vesting period of the options granted as share-based compensation expense, with a corresponding amount recognized in reserve within equity. The fair value includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserve is subsequently reduced if the options are exercised, and the amount initially recorded is then reclassified/transferred to share capital.

In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

Earnings (loss) per share
The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is adjusted for potential common shares outstanding. Diluted loss per share is equivalent to basic loss per share, as the effect of adjusting for potential common shares outstanding is anti-dilutive.

Foreign exchange
The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Exploration and evaluation assets
Pre-exploration costs are expensed in the year in which they are incurred. Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration, and evaluation are recognized and capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss. The Company assesses exploration and evaluation assets for indicators of impairment at least annually, and whenever facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”. Exploration and evaluation assets are tested for impairment before the assets are transferred to mines under construction.

Exploration and evaluation assets are classified by the Company as intangible assets.

Provision for environmental rehabilitation
The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of exploration and evaluation assets, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The present value of future rehabilitation 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 rehabilitation provision in the period incurred. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The rehabilitation costs are depreciated on the same basis as the exploration and evaluation assets. Changes in the present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The Company's estimates of reclamation 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 the related assets with a corresponding adjustment to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

The Company had no material environmental rehabilitation obligations for the years presented.

Recent accounting pronouncements
The Company's management have reviewed recent upcoming accounting standards and amendments to standards and interpretations that have been issued but are not yet effective and have determined that there are none are expected to materially affect the Company's consolidated financial statements.

New IFRS Pronouncements - not yet adopted
Amendments to IAS 1 - Presentation of Financial Statements
In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled Non-current liabilities with covenants. These amendments seek to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. Retrospective application is required on adoption.

Amendment to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements and the IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concept when making judgments about accounting policy disclosures. The amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. Prospective application is required on adoption.

Amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors
In February 2021, the IASB issued an amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") to introduce the definition of an accounting estimate and include other amendments to help entities to distinguish changes in accounting estimates from changes in accounting policies. The amendment to IAS 8 is effective for annual reporting periods on or after January 1, 2023, and early adoption is permitted.

Amendment to IAS 12, Income Taxes
In May 2021, the IASB issued an amendment to IAS 12, Income Taxes ("IAS 12") to clarify how companies account for deferred taxes on transactions such as leases and decommissioning obligations. The amendment requires companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable deductible temporary differences. The amendment to IAS 12 is effective for annual reporting periods on or after January 1, 2023, and early adoption is permitted.

4. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for uncertainty arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, titles to all of its interests are in good standing.

(a) Beaver-Lynx Property

During the 2020 fiscal year, the Company acquired the Beaver and Lynx nickel-cobalt properties located in the Cariboo region of south-central British Columbia through staking.

The Company was issued Mines Act permits on the proposed program of mineral exploration on both the Beaver and Lynx properties by posting a reclamation security deposit amounting to $55,000.

The Company subsequently acquired additional mineral claims to join the Beaver and Lynx properties into a single property (Beaver-Lynx).

(b) La Gitana and Pena Blanca Properties

During the 2020 and 2021 fiscal years, the Company acquired a 100% interest in the La Gitana and Pena Blanca gold-silver properties in Oaxaca State, Mexico from Gunpoint Exploration Ltd. (“Gunpoint”) for 1,000,000 common shares (issued) of Inomin, $35,000 cash payment (paid), and the grant of a 1.5% Net Smelter Royalty (“NSR”) payable to Gunpoint on the Pena Blanca property (with an option for Inomin to purchase 0.5% of the NSR at any time for $1,000,000). La Gitana is subject to an existing 3% NSR to a third-party which was assumed by the Company.

(c) Fleetwood Property

On March 28, 2018, the Company acquired a 100% interest in the Fleetwood zinc-copper-silver-gold property located in the New Westminster mining division of south-western British Columbia for the aggregate consideration of $37,000 comprising:

- $10,000 cash payment (paid); and
- 200,000 common shares (valued at $27,000) (issued).

During the year ended March 31, 2023, the claims related to the Fleetwood property were allowed to lapse and the $38,314 capitalized on the consolidated statement of financial position was written off.

(d) King’s Point Property

On May 16, 2018, the Company entered into an agreement to option its 100% owned King’s Point Property in Newfoundland to Maritime Resources Corp. (“Maritime”). Maritime exercised its option effective September 15, 2021, and earned a 100% interest in King’s Point.

During the period since the date of the option agreement to September 15, 2021, Maritime spent $600,000 in exploration, made cash payments of $300,000 to the Company, and issued 2,000,000 Maritime securities to the Company in four equal instalments.

During the 2020 and 2019 fiscal years, the Company received the first and second instalments of the Maritime securities and $75,000 in cash payments. During the year ended March 31, 2020, 500,000 of the securities which had a fair value of $47,500 were disposed for proceeds of $44,140.

During the year ended March 31, 2021, the Company sold a further 500,000 securities for total proceeds of $41,602. During the same fiscal year, the Company received the second cash payment of $100,000 and the third instalment of the 500,000 securities of Maritime valued at $77,500.

(Expressed in Canadian dollars)

During the year ended March 31, 2022, the Company received its final cash instalment of $125,000 and 500,000 securities of Maritime valued at $65,000. The Company recognized a recovery in excess of costs of $190,000 for these proceeds.

As at March 31, 2023, the Company held 1,000,000 securities of Maritime. The securities of Maritime are carried at the market value of $45,000 based on their quoted price.

	Number of securities	**Fair value $**
Balance, March 31, 2021	500,000	77,500
500,000 securities received	500,000	65,000
Unrealized loss on securities	-	(27,500)
Balance, March 31, 2022	1,000,000	115,000
Unrealized loss on securities	-	(70,000)
Balance, March 31, 2023	1,000,000	45,000

The Company holds a 1% NSR on King's Point, including mineral claims acquired by Maritime within three kilometres from the perimeter of the King's Point project.

(e) Exploration cost for the year:

The table below details the expenditures incurred on each project during the years ended March 31, 2023, and 2022:

	Beaver-Lynx Property	**La Gitana and Pena Blanca Properties**	**Fleetwood**	**Total**
	$	**$**	**$**	**$**
Balance, March 31, 2021	49,566	174,925	37,000	261,491
Drilling	290,276	-	-	290,276
Consulting expenses	-	50,200	-	50,200
Geophysics	69,629	-	-	69,629
Evaluation and community costs	-	34,139	1,314	35,453
Balance, March 31, 2022	409,471	259,264	38,314	707,049
Drilling	5,000	-	-	5,000
Staking	2,742	-	-	2,742
Consulting expenses	12,581	49,965	-	62,546
Evaluation and community costs	-	3,417	-	3,417
Laboratory test work	10,680	-	-	10,680
Write off	-	-	(38,314)	(38,314)
Balance, March 31, 2023	**440,474**	**312,646**	**-**	**753,120**

5. SHARE CAPITAL

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued and Outstanding – 30,946,410 as at March 31, 2023 (March 31, 2022 – 29,261,510).

(Expressed in Canadian dollars)

<u>During the year ended March 31, 2023</u>

Stock option and warrant exercises.

During the year ended March 31, 2023, 635,000 stock options were exercised in exchange for 635,000 common shares for proceeds of $63,500. A total of 1,049,900 warrants were also exercised in exchange of 1,049,900 common shares of the Company, for total proceeds of $157,485 of which $24,765 was received during the year ended March 31, 2023, and $132,720 was recognized as shares to be issued at March 31, 2022.

<u>During the year ended March 31, 2022</u>

Private Placement – Flow-Through and Non-Flow-Through Units.

During August and September 2021, the Company closed a private placement of securities for total gross proceeds of $474,750 (the "Offering"). The Offering was comprised of a combination of non-flow-through units (the "NFT Units") sold at a price of $0.10 per NFT Unit and flow-through units (the "FT Units") sold at a price of $0.125 per FT Unit. A total of 1,170,000 NFT Units and 2,862,000 FT Units were issued.

Each NFT Unit is comprised of one non-flow-through common share and one-half (0.5) of one warrant. Each FT Unit was comprised of one flow-through common share and one-half (0.5) of one warrant. The warrants for all units are subject to the same terms, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share for a period of 2 years from the date of issuance at an exercise price of $0.15.

In connection with the Offering, the Company paid aggregate finders' fees and other professional fees totaling $31,970 and issued 144,900 finders' warrants.

The premium received on the issuance of FT Units was recognized as a liability on the Company's statement of financial position. The continuity of the flow-through premium liability was as follows:

Balance, March 31, 2021	$	-
Flow-through premium liability recognized		71,550
Recognized to profit or loss upon incurring qualifying expenditures		(67,070)
Balance, March 31, 2022	$	4,480
Recognized to profit or loss upon incurring qualifying expenditures		(4,480)
Balance, March 31, 2023	$	-

(c) Stock Options

The Board of Directors of the Company may from time to time, at its discretion, and in accordance with TSX-V requirements, grant to Directors, Officers, and consultants of the Company, non-transferable options to purchase common shares exercisable for a period of up to 5 years from the date of grant, provided that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares.

During the year ended March 31, 2023, 635,000 stock options were exercised in exchange for 635,000 common shares for proceeds of $63,500. The weighted average market price of the Company's common shares on the dates of exercise was $0.31 per share.

During the year ended March 31, 2023, the Company did not grant any stock options.

During the year ended March 31, 2022, the following stock options were granted:

- On October 5, 2021, the Company granted 1,300,000 stock options under the Company's stock option plan to officers, directors, and an advisor to the Company. The options are exercisable until October 5, 2026, at a price of $0.10 per common share, and vested immediately.

(Expressed in Canadian dollars)

- On March 30, 2022, the Company granted 350,000 stock options. The options are exercisable until March 30, 2027, at a price of $0.38 per common share, and vested immediately.

The Company recognized $232,935 as share-based compensation expense for the options granted during the year ended March 31, 2022.

The following assumptions were used in the valuation of options granted during the year ended March 31, 2022:

	October 5, 2021	March 30, 2022
Share price at grant date	$0.09	$0.38
Exercise price	$0.10	$0.38
Expected volatility	161%	173%
Expected life	5 years	5 years
Expected dividends	Nil	Nil
Expected forfeiture rate	Nil	Nil
Risk-free interest rate	1.10%	2.42%

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price ($)
Outstanding and exercisable, March 31, 2021	1,540,000	0.08
Granted	1,650,000	0.16
Expired	(355,000)	0.10
Outstanding and exercisable, March 31, 2022	2,835,000	0.13
Exercised	(635,000)	0.10
Outstanding and exercisable, March 31, 2023	2,200,000	0.13

As at March 31, 2023, the following stock options were outstanding and exercisable:

Expiry date	Number of options	Exercise price ($)	Remaining contractual life (years)
June 28, 2023	225,000	0.10	0.24
June 21, 2024	300,000	0.05	1.23
October 9, 2024	300,000	0.05	1.53
October 5, 2026	1,025,000	0.10	3.52
March 30, 2027	350,000	0.38	4.00
	2,200,000	0.13	2.68

On June 28, 2023, subsequent to year end, 225,000 options expired unexercised.

(d) Warrants

During the year ended March 31, 2023, a total of 1,049,900 warrants were exercised in exchange of 1,049,900 common shares of the Company, for total proceeds of $157,485 of which $24,765 was received during the year ended March 31, 2023. The weighted average market price of the Company's common shares on the date of exercise was $0.31 per share.

During the year ended March 31, 2022, in connection with the Offering described above, the Company issued 144,900 finders' warrants valued at $12,486. The fair value attributed to the finders' warrants was determined using the Black-Scholes valuation model using the following assumptions: Risk free interest rate of 0.45%, expected life of two years, and volatility rate of 173.00%. Each finders' warrant entitles the holder to purchase one-half of one common share of the Company at a price of $0.15 per finders' warrant share for a period of 24 months to August 25, 2023.

(Expressed in Canadian dollars)

Also, during the year ended March 31, 2022, 755,246 warrants were exercised for proceeds of $75,769. The market price of the Company's common shares on the date of exercise was $0.115 per share.

The following table summarizes the continuity of the Company's warrants:

	Number of warrants	Weighted average exercise price ($)
Outstanding and exercisable, March 31, 2021	7,220,125	0.10
Issued to finders	144,900	0.15
Granted with units Offering	2,016,000	0.15
Exercised	(755,246)	0.10
Expired	(6,198,213)	0.10
Outstanding and exercisable, March 31, 2022	2,427,566	0.14
Exercised	(1,049,900)	0.15
Expired	(266,666)	0.08
Outstanding and exercisable, March 31, 2023	1,111,000	0.15

As at March 31, 2023, the following warrants were outstanding and exercisable:

Expiry date	Number of warrants	Exercise price ($)	Remaining contractual life (years)
August 25, 2023	999,000	0.15	0.40
September 24, 2023	112,000	0.15	0.48
	1,111,000	0.15	0.41

6. INCOME TAXES

The tax expense at statutory rates for the Company can be reconciled to the reported loss per the statement of loss and comprehensive loss as follows:

	2023 **$**	**2022** **$**
Loss before income taxes	**(372,587)**	(257,866)
Canadian federal and provincial income tax rates	**27.0%**	27.0%
Income tax expense (recovery) based on the above rates	**(100,818)**	(69,624)
Permanent differences	**5,818**	97,031
Tax benefits renounced to flow through shareholders	**-**	96,593
Impact of deferred tax assets not recognized	**95,000**	(124,000)
Total tax expense	**-**	-

(Expressed in Canadian dollars)

The Company's unrecognized deferred tax assets are as follows:

	2023 $	2022 $	Expiry date range
Unrecognized deferred tax assets (liabilities)			
Non-capital losses carried forward	**401,000**	300,000	See below
Securities	**13,000**	4,000	Not applicable
Share issue costs	**7,000**	17,000	2024-2026
Exploration and evaluation assets	**(161,000)**	(156,000)	Not applicable
Total unrecognized deferred tax assets	**260,000**	165,000	

The Company has non-capital losses available of approximately $1,487,000 that may be carried forward to reduce future taxable income. These losses are with respect to Canadian operations, and if not utilized, will expire as follows:

Expiry Date	$
2033	15,000
2034	55,600
2035	269,800
2036	58,400
2037	146,400
2038	161,500
2039	153,400
2040	144,900
2041	105,100
2042	71,700
2043	305,200
	1,487,000

7. FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not observable for the asset or liability.

	Fair value hierarchy	March 31, 2023 $	March 31, 2022 $
Financial assets at FVTPL			
Cash and cash equivalents	Level 1	**182,663**	459,489
Securities	Level 1	**45,000**	115,000
		353,650	574,489

The carrying values of the Company's security deposit on exploration and evaluation assets and accounts payable and accrued liabilities approximate their fair values due to the market rates of interest attached and or due to their short-term nature.

Management of financial risks

The Company has exposure to the following risks from its financial instruments: credit risk, liquidity risk and market risk. Management and Board of Directors monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is limited to the carrying values of cash and cash equivalents, and security deposit on exploration and evaluation assets shown on its consolidated statement of financial position, which totaled $237,663 at March 31, 2023 (March 31, 2022 - $514,489). The cash and cash equivalents, and security deposit on exploration and evaluation assets are held with high credit quality financial institutions, management considers the risk of loss on these financial instruments to be minimal. The Company's management of credit risk has not changed materially from that of the prior year.

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Management endeavors to maintain cash and cash equivalents in excess of financial liabilities, to enable payment of financial liabilities as they come due. As at March 31, 2023, the Company had cash and cash equivalents of $182,663 (March 31, 2022 - $459,489) and securities of $45,000 (March 31, 2022 - $115,000), to settle accounts payable and accrued liabilities of $61,566 (March 31, 2022 - $60,449) which are short-term in nature and subject to normal trade terms. The Company's management of liquidity risk has not changed materially from that of the prior year.

Market risk:

Market risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of foreign currency risk, interest rate risk and other price risk. Management has determined that the Company is not exposed to material interest rate risk. The Company's management of market risk has not changed materially from that of the prior year.

- *Foreign currency risk:*

  Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company maintains its cash reserves in Canadian dollars and Mexican pesos. As at March 31, 2023 cash held in banks were mainly denominated in Canadian dollars.

  As at March 31, 2023, the Company had certain monetary items denominated in Mexican pesos. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the Mexican pesos would result in an increase or decrease of approximately $94 in the Company's net loss.

- *Other price risk:*

  Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The Company is exposed to other price risk with respect to fluctuations in the fair value of its securities. The Company's exposure to other price risk is limited to the fair value of securities, which totaled $45,000 at March 31, 2023 (March 31, 2022 - $115,000). Based on this exposure, a 10% change in price of the securities in comparison to the price as of March 31, 2023, would result in an impact of $4,500 on the Company's net loss.

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

Related parties are persons or entities that have control, joint control or significant influence over the Company, or who are members of key management personnel of the Company.

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

Key management personnel transactions were as follows:

a) The Company has a consulting agreement with its Chief Executive Officer ("CEO") for a fee of $5,000 per month from October 1, 2021, onwards, through Oro Grande Capital, a company controlled by the CEO. During the year ended March 31, 2023, the Company incurred $60,000 (2022 - $48,000) in fees to Oro Grande Capital. These fees are included in Management fees in the consolidated statements of loss and comprehensive loss.

b) The Company has a consulting agreement with its Corporate Secretary for a fee of $2,000 per month from October 1, 2021, until February 28, 2022, and then from March 1, 2022, onwards, through AMS Law Corporation, a company controlled by the Corporate Secretary. During the year ended March 31, 2023, the Company incurred $24,000 (2022 - $18,000) in fees to the Corporate Secretary. These fees are included in Professional fees in the consolidated statements of loss and comprehensive loss.

c) The Company has an arrangement with a director of the Company whereby the Director provides exploration related services to the Company. During the year ended March 31, 2023, the Company incurred $12,350 (2022 - $86,676) in fees to the Director. These fees are included in Exploration and Evaluation assets in the consolidated statements of financial position.

d) In January 2022, the Company entered into a consulting agreement with the Chief Financial Officer ("CFO") of the Company for a monthly fee of $2,500 through Avisar Everyday Solutions Ltd. ("Avisar") to provide accounting related services. During the year ended March 31, 2023, the Company incurred $30,000 (2022 - $7,500) in professional fees to Avisar. Also, during the year ended March 31, 2023, the Company incurred $Nil (2022 - $22,000) in professional fees to the former CFO of the Company. These fees are included in Professional fees in the consolidated statements of loss and comprehensive loss.

The balance due to the Company's current Directors and Officers included in accounts payables and accrued liabilities was $10,056 as at March 31, 2023 (March 31, 2022 – $12,014). These amounts are unsecured, non-interest bearing and payable on demand.

9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of mineral properties in Canada and Mexico. Non-current assets by country are as follows:

	March 31, 2023			**March 31, 2022**		
	Canada	Mexico	Total	Canada	Mexico	Total
	$	**$**	**$**	**$**	**$**	**$**
Exploration and evaluation assets	**440,474**	**312,646**	**753,120**	447,785	259,264	707,049
Security deposit	**55,000**	**-**	**55,000**	55,000	-	55,000
Total	**495,474**	**312,646**	**808,120**	502,785	259,264	762,049

(Expressed in Canadian dollars)

10. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity, which totaled $1,000,850 as at March 31, 2023 (March 31, 2022 - $1,285,172). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets. Management believes the Company's working capital is presently sufficient for the Company to meet its near-term objectives. The Company's approach to the management of capital has not changed from that of the prior year.

The Company is not subject to any externally imposed capital requirements.

11. SUBSEQUENT EVENTS

Stock options granted
On April 11, 2023, the Company granted incentive stock options to a consultant to acquire 100,000 common shares of the Company at $0.07 per common share, vesting immediately, for a period of two years expiring April 11, 2025. Fair value of the options of $5,380 was determined using the Black Scholes option pricing model.

On July 3, 2023, the Company granted 1,400,000 stock options under the Company's stock option plan to directors and advisors of the Company. The Options are exercisable until July 3, 2028, at a price of $0.075 per common share, and vest immediately. Fair value of the options of $98,280 ($43,875 of which was with related parties) was determined using the Black Scholes option pricing model.

The following assumptions were used in the valuation of options granted subsequent to the year ended March 31, 2023:

	April 11, 2023	July 3, 2023
Share price at grant date	$0.07	$0.075
Exercise price	$0.07	$0.075
Expected volatility	166%	162%
Expected life	2 years	5 years
Expected dividends	Nil	Nil
Expected forfeiture rate	Nil	Nil
Risk-free interest rate	4.32%	3.74%

Non-brokered private placement
On May 31, 2023, the Company completed a non-brokered private placement (the "Private Placement") of 3,992,142 units (each, a "Unit") at a price of $0.07 per Unit and 3,275,000 flow-through units (each, a "FT Unit") at a price of $0.10 per FT Unit for gross proceeds of $606,950.

Each Unit consists of one common share in the capital of the Company (a "Share") and one Share purchase warrant of the Company (each, a "NFT Warrant"). Each NFT Warrant is exercisable by the holder to acquire one Share for a period of 36 months from the date of closing of the Private Placement at a price of $0.13 per Share.

Each FT Unit consists of one Share that will qualify as a "flow-through share" and one Share purchase warrant of the Company (a "FT Warrant"). Each FT Warrant is exercisable by the holder to acquire one Share for a period of 24 months from the date of closing of the Private Placement at a price of $0.15 per Share.

In connection with the Private Placement, the Company issued an aggregate of 256,550 non-transferrable finder’s warrants (the “Finder’s Warrants”) and paid finder’s commissions of an aggregate of $24,574. A total of 36,050 Finder's Warrants were issued on the same terms as the NFT Warrants and 220,500 Finder's Warrants were issued on the same terms as the FT Warrants.

Property acquisition

On July 7, 2023, the Company issued 100,000 common shares of the Company to acquire additional mineral claim blocks, extending the size of its Beaver-Lynx property. Fair value of the common shares issued of $7,000, was measured at the closing market price of common shares at the date of issuance.