Q2 METALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023

(EXPRESSED IN CANADIAN DOLLARS)

DeVISSER GRAY LLP
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Independent Auditor's Report

To the Shareholders of Q2 Metals Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Q2 Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at February 29, 2024 and February 28, 2023, and the consolidated statements of loss and comprehensive loss, changes in cash flows and equity for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2024 and February 28, 2023, 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 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

We have determined that there is the following key audit matter 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 2 – Accounting policy: Interest in exploration properties and exploration and evaluation expenditures; note 2 – Accounting policy: Impairment of non-financial assets; note 3 – Critical judgements and estimation uncertainties; and note 6 – Interest in exploration properties and exploration and evaluation expenditures. Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgement 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 properties; and (iii) changes in metal prices, capital and	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. • 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 properties had not expired.

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 judgement.	• 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 audits 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 audits 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 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 judgement 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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
June 28, 2024

Q2 Metals Corp.

Consolidated Statements of Financial Position
As at February 29, 2024 and February 28, 2023
(Expressed in Canadian Dollars)

	February 29, 2024 $	February 28, 2023 $
ASSETS		
Current assets		
Cash and cash equivalents	**5,871,420**	12,010,842
GST receivable	**723,337**	88,314
Amounts receivable	**1,507**	2,471
Prepaid expenses	**169,438**	40,172
Total current assets	**6,765,702**	12,141,799
Reclamation bonds	**17,437**	17,437
Exploration and evaluation assets (Note 6)	**22,077,412**	7,202,271
Total assets	**28,860,551**	19,361,507
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables (Note 9)	**2,081,333**	312,346
Liability for flow-through shares (Note 12)	**-**	1,562,500
Loan payable (Note 10)	**-**	28,074
Total liabilities	**2,081,333**	1,902,920
Equity		
Issued capital (Note 7)	**34,722,587**	26,195,765
Share subscriptions received	**-**	11,050
Equity reserve (Note 7)	**3,514,834**	2,513,651
Deficit	**(11,624,780)**	(11,429,338)
Total equity attributable to shareholders	**26,612,641**	17,291,128
Non-controlling interest (Note 6)	**166,577**	167,459
Total Equity	**26,779,218**	17,458,587
Total equity and liabilities	**28,860,551**	19,361,507

Going concern (Note 1)
Commitments (Note 11)
Subsequent events (Note 14)

These consolidated financial statements were approved by the Board of Directors and authorized for issue on June 28, 2024.

(s) Alicia Milne, Director *(s) Kevin Bottomley*, Director

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

Q2 Metals Corp.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended February 29, 2024 and February 28, 2023
(Expressed in Canadian Dollars)

	February 29, 2024 $	February 28, 2023 $
General and administrative expenses		
Accounting and audit fees (Note 9)	**115,243**	90,552
Advertising and promotion	**383,495**	212,565
Bank fees and interest expense	**7,991**	1,692
Consulting fees (Note 9)	**320,577**	346,500
Filing and transfer agent fees	**56,038**	51,922
Investor relations (Note 11)	**185,014**	49,014
Legal fees	**53,696**	169,193
Office, insurance and administrative	**51,931**	22,206
Property costs	**-**	18,859
Share-based compensation (Note 7)	**1,038,199**	936,338
	2,212,184	1,898,841
Other income		
Interest income	**453,360**	-
Flow-through premium recovery (Note 12)	**1,562,500**	-
	2,015,860	-
Net and comprehensive loss	**196,324**	1,898,841
Loss attributable to:		
Shareholders of the Company	**195,442**	1,896,463
Non-controlling interest (Note 6)	**882**	2,378
	196,324	1,898,841
Basic and diluted loss per share	**$ 0.00**	$ 0.04
Weighted average number of common shares outstanding		
- basic and diluted (Note 8)	**83,305,412**	45,146,151

Q2 Metals Corp.

Consolidated Statements of Cash Flows
For the years ended February 29, 2024 and February 28, 2023
(Expressed in Canadian Dollars)

	February 29, 2024 $	February 28, 2023 $
Cash flows (used in) operating activities		
Net loss for the year	**(196,324)**	(1,898,841)
Non-cash adjustments:		
Share-based payments	**1,038,199**	936,338
Flow-through premium recovery	**(1,562,500)**	-
Foreign exchange on loan payable	**-**	(72)
Non-cash working capital items:		
Amounts receivable	**(634,059)**	(24,889)
Prepaid expenses	**(129,266)**	162,554
Reclamation bond	**-**	(2,287)
Trade and other payables	**(107,413)**	78,376
Cash flows (used in) operating activities	**(1,591,363)**	(748,821)
Cash flows from financing activities		
Issuance of share capital, net of issuance costs	**(6,169)**	11,435,121
Warrants exercised	**1,411,300**	794,000
Agent warrants exercised	**31,625**	-
Stock options exercised	**20,000**	10,286
Share subscriptions received	**-**	11,050
Repayment of loans payable	**(28,074)**	-
Cash flows from financing activities	**1,428,682**	12,250,457
Cash flows (used in) investing activities		
Exploration and evaluation asset expenditures	**(5,976,741)**	(437,197)
Cash flows (used in) investing activities	**(5,976,741)**	(437,197)
Change in cash and cash equivalents	**(6,139,422)**	11,064,439
Cash, beginning of year	**12,010,842**	946,403
Cash and cash equivalents, end of year	**5,871,420**	12,010,842
Supplemental information:		
Common shares issued for interest in exploration and evaluation properties (Notes 6 and 7)	**$ 7,022,000**	$ 3,152,500
Settlement of debt (Note 9)	**-**	60,000

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

Q2 Metals Corp.

Consolidated Statements of Changes in Shareholders' Equity
For the years ended February 29, 2024 and February 28, 2023
(Expressed in Canadian Dollars)

	Number of Shares	Issued Capital $	Share Subscriptions Received $	Equity Reserve $	Deficit $	Non-controlling interest $	Total $
Balance, February 28, 2022	**40,348,146**	**12,777,737**	**-**	**1,177,668**	**(9,544,609)**	**169,837**	**4,580,633**
Shares issued for cash (Note 7)	18,120,833	4,143,750	-	-	-	-	4,143,750
Flow-through shares issued for cash (Note 7)	7,600,000	5,950,000	-	-	-	-	5,950,000
Shares issued for property (Note 6 & 7)	6,500,000	3,152,500	-	-	-	-	3,152,500
Warrants exercised	3,154,000	794,000	-	-	-	-	794,000
Options exercised	25,714	13,479	-	(3,193)	-	-	10,286
Options expired	-	-	-	(11,734)	11,734	-	-
Share subscriptions received	-	-	11,050	-	-	-	11,050
Share issuance costs	-	(635,701)	-	414,572	-	-	(221,129)
Share-based payments	-	-	-	936,338	-	-	936,338
Net loss for the year	-	-	-	-	(1,896,463)	(2,378)	(1,898,841)
Balance, February 28, 2023	**75,748,693**	**26,195,765**	**11,050**	**2,513,651**	**(11,429,338)**	**167,459**	**17,458,587**
Shares issued for property (Note 6 & 7)	7,900,000	7,022,000	-	-	-	-	7,022,000
Warrants exercised	5,540,775	1,422,350	(11,050)	-	-	-	1,411,300
Finder's warrants exercised	126,500	49,060	-	(17,435)	-	-	31,625
Options exercised	100,000	39,581	-	(19,581)	-	-	20,000
Share issuance costs	-	(6,169)	-	-	-	-	(6,169)
Share-based payments	-	-	-	1,038,199	-	-	1,038,199
Net loss for the year	-	-	-	-	(195,442)	(882)	(196,324)
Balance, February 29, 2024	**89,415,968**	**34,722,587**	**-**	**3,514,834**	**(11,624,780)**	**166,577**	**26,779,218**

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

1. Nature of operations and going concern

Q2 Metals Corp. (formerly Queensland Gold Hills Corp.) ("Q2 Metals" or the "Company") was incorporated under the British Columbia Business Corporations Act on May 6, 2010. The Company is principally engaged in the business of exploring and developing base and precious metal mineral properties. Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues. The head office of the Company is located at Suite 904 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

On January 9, 2023, the Company changed its name from Queensland Gold Hills Corp to Q2 Metals Corp. The Company's shares are listed on Tier 2 of the TSX Venture Exchange in Canada ("QTWO"), the Frankfurt Stock Exchange in Germany ("458"), and the OTCQB ("QUEXF").

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to social and government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

These consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business.

As at February 29, 2024, the Company had not earned revenue and had an accumulated deficit of $11,624,780 (February 28, 2023 - $11,429,338), cash and cash equivalents of $5,871,420 (February 28, 2023 - $12,010,842), and working capital of $4,684,369 (February 28, 2023 - $10,238,879). The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and/or achieve profitable operations in the future. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material.

2. Material accounting policy information

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended February 29, 2024. The policies set out below have been consistently applied to all periods presented.

Basis of presentation and consolidation

The consolidated financial statements have been prepared on the historical cost basis, except for cash and cash equivalents which are reflected at fair value as set out in the accounting policies below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. Material accounting policy information (Continued)

Basis of presentation and consolidation (Continued)

The consolidated financial statements include the financial statements of the Company, its wholly owned subsidiary Orefox Exploration Pty Ltd., and 95% ownership of Big Hill Gold Mining Company Pty Ltd. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions. On May 30, 2022, the Company sold its subsidiaries Minfocus International Inc. and 2244223 Ontario Inc. to a former related party and de-consolidated the companies as of that date.

Presentation and functional currency

These consolidated financial statements are presented in the Canadian dollar functional currency, the currency of the primary economic environment in which the Company and its subsidiaries operate.

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 twelve 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 February 29, 2024 the Company had $5,300,000 (February 28, 2023 - $nil) in cash equivalents.

Financial Instruments

Financial liabilities are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

The following table summarizes the classification of the Company's financial instruments:

Financial Assets	**Classification**
Cash and cash equivalents	Fair value through profit or loss
Reclamation bonds	Fair value through profit or loss
Financial Liabilities	
Trade and other payables	Amortized cost
Loan payable	Amortized cost

The classification of financial assets is based on how the entity manages its financial instruments and contractual cash flow characteristics of the financial asset. Transactions costs with respect to financial instruments classified as fair value through profit or loss are recognized in the statements of loss and comprehensive loss.

2. Material accounting policy information (Continued)

Interest in exploration properties and exploration and evaluation expenditures

All direct costs related to the acquisition of exploration property interests are capitalized into intangible assets on a property by property basis pending determination of the technical feasibility and commercial viability of the project. Exploration and evaluation expenditures are recorded at cost at the date of acquisition. All direct costs related to the acquisition, exploration and development of exploration properties are capitalized until the properties to which they relate are placed into production, sold, abandoned or management has determined there to be impairment. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit-of-production method following commencement of production. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss in the statement of loss.

Provisions

A provision is recognized in the consolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to passage of time is recognized as interest expense.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. At the end of each financial position reporting date provisions are reviewed and adjusted to reflect the current best estimate of the expenditure required to settle the present obligation. The Company had no material provisions as at February 29, 2024 and February 28, 2023.

Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. The timing of the actual expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Changes in estimates of decommissioning costs are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit and loss. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company had no material restoration, rehabilitation and environmental obligations as at February 29, 2024 and February 28, 2023.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date and recognized over the period during which the options vest. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note.

The fair value of share options granted to employees are recognized as an 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, including directors of the Company.

2. Material accounting policy information (Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service.

The fair value of share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest 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. No expense is recognized for awards that do not ultimately vest.

Consideration received on the exercise of share options and warrants is recorded as share capital and the equity reserve is transferred to share capital. Upon expiry, the recorded value of share options and warrants is transferred to deficit.

Impairment of non-financial assets

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The 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 pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss in the consolidated statement of loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At the end of each reporting date, the Company assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the consolidated statement of loss.

Impairment indicators for exploration and evaluation assets include the ending of rights to explore, abandoning plans to explore an exploration property, a lack of discovery of economically recoverable reserves on completion of exploration and evaluation activities and on future production or proceeds of disposition.

Flow-through shares

Flow-through shares are a unique Canadian tax incentive. The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted market price of the common shares and the amount the investor pays for the flow-through shares. A flow-through share premium liability is recognized for the premium paid by the investors and is then reversed through the consolidated statement of loss in the period of renunciation.

Income taxes

Income tax on the loss for the periods presented comprises current and deferred tax. 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.

2. Material accounting policy information (Continued)

Income taxes (Continued)

Deferred tax is provided 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 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 financial position reporting date applicable to the period of expected realization or settlement. Deferred income tax liabilities and assets are not recognized for taxable temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it is not recognized.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Segment reporting

The Company operates in a single reportable operating segment, the acquisition, exploration and development of base and precious metals including lithium and gold projects in Canada and Australia. As operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts.

Share capital

Common shares and warrants are classified as equity. Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

Interest income

Interest income from financial assets is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3. Critical judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

Going concern

Evaluation of the ability of the Company to realize its strategy for funding its future needs for working capital involves making judgements.

3. Critical judgements and estimation uncertainties (Continued)

Capitalization of exploration and evaluation expenditures

Management has determined that exploration and evaluation expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 6 for details of capitalized exploration and evaluation expenditures.

Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

4. Capital management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of metallic resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity, which comprises issued capital, equity reserve and accumulated deficit, which totaled $26,779,218 at February 29, 2024 (February 28, 2023 - $17,458,587).

The Company invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and cash equivalents and other short-term guaranteed deposits, all held with select major Canadian chartered banks and financial institutions.

The Company is currently attempting to identify economic base and precious metal resources with an emphasis on lithium, gold, zinc, and silver, and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Company will spend existing working capital and raise additional amounts as needed.

(Expressed in Canadian Dollars)

4. Capital management (Continued)

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
(ii) minimizing discretionary disbursements; and
(iii) exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. The Company's capital management objectives, policies and processes have remained unchanged during the years ended February 29, 2024 and February 28, 2023.

5. Financial instruments and financial risk factors

Fair value measurements

	February 29, 2024	February 28, 2023
Financial assets		
FVPL, measured at fair value		
Cash and cash equivalents	**$ 5,871,420**	$ 12,010,842
Reclamation bonds	**17,437**	17,437
Financial liabilities		
Other liabilities, measured at amortized cost		
Trade and other payables	**$ 2,081,333**	$ 312,346
Loan Payable	**-**	28,074

Fair value hierarchy

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at February 29, 2024, the Company's financial instruments are comprised of cash and cash equivalents, reclamation bonds, trade and other payables, and loan payable. The carrying value of these financial instruments approximate their fair values due to the relatively short periods to maturity of these financial instruments.

(Expressed in Canadian Dollars)

5. Financial instruments and financial risk factors (Continued)

Financial instruments measured at fair value on the consolidated statement of financial position are summarized in levels of fair value hierarchy as follows:

At February 29, 2024

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 5,871,420	$ -	$ -	$ 5,871,420
Reclamation bonds	17,437	-	-	17,437
Total	$ 5,888,857	$ -	$ -	$ 5,888,857

At February 28, 2023

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 12,010,842	$ -	$ -	$ 12,010,842
Reclamation bonds	17,437	-	-	17,437
Total	$ 12,028,279	$ -	$ -	$ 12,028,279

Financial risk factors

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes in the risks, objectives, policies and procedures from the previous year.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company’s liquidity and operating results may be adversely affected if the Company’s access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at February 29, 2024, the Company had cash and cash equivalents of $5,871,420 (February 28, 2023 - $12,010,842) to settle current liabilities of $2,081,333 (February 28, 2023 - $1,902,920). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has no other contractual obligations other than trade and other payables. As discussed in Note 1, the Company’s ability to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of select major Canadian chartered banks and financial institutions. The Company regularly monitors compliance to its cash management policy.

5. Financial instruments and financial risk factors (Continued)

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and a significant portion of the Company's expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal at this time but may increase as the Company develops its Australia-based properties.

(c) Commodity price risk

The Company is exposed to price risk with respect to base and precious metal prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to price movements and volatilities. The Company closely monitors prices to determine the appropriate course of action to be taken by the Company.

(d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised primarily of GST/HST receivable due from the Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

(Expressed in Canadian Dollars)

6. Interest in exploration properties and exploration and evaluation expenditures

	Mia Property	Stellar Property	Big Hill	Titan Gold	Nevada Rose	Angelo Bell	Coral Zinc	Round Pond	Total
Balance, February 28, 2022	$ -	$ -	$ 3,387,574	$ 105,000	$ 7,500	$ 2,500	$ 40,000	$ 10,000	$ 3,552,574
Additions during the year									
Property acquisition costs									
Cash	200,000	15,200	-	-	-	-	-	-	215,200
Shares	3,152,500	-	-	-	-	-	-	-	3,152,500
Property exploration costs									
Assays	-	-	44,239	-	-	-	-	-	44,239
Drilling	-	-	196,990	-	-	-	-	-	196,990
Geological consulting costs	25,814	-	74,954	-	-	-	-	-	100,768
	3,378,314	15,200	316,183	-	-	-	-	-	3,709,697
Sale of properties (Note 9)	-	-	-	-	(7,500)	(2,500)	(40,000)	(10,000)	(60,000)
Balance, February 28, 2023	$ 3,378,314	$ 15,200	$ 3,703,757	$ 105,000	$ -	$ -	$ -	$ -	$ 7,202,271
Additions during the period									
Property acquisition costs									
Cash	1,188,400	1,454	-	-	-	-	-	-	1,189,854
Shares	7,022,000	-	-	-	-	-	-	-	7,022,000
Property exploration costs									
Assays	221,698	-	2,250	-	-	-	-	-	223,948
Camp	869,852	-	-	-	-	-	-	-	869,852
Drilling	1,557,022	-	-	-	-	-	-	-	1,557,022
Field supplies and rentals	336,780	-	-	-	-	-	-	-	336,780
Fuel	314,593	-	-	-	-	-	-	-	314,593
Geological consulting	1,704,301	4,327	12,552	-	-	-	-	-	1,721,180
Other	4,176	-	23,755	-	-	-	-	-	27,931
Permits	8,522	-	-	-	-	-	-	-	8,522
Travel and transport	1,603,459	-	-	-	-	-	-	-	1,603,459
	14,830,803	5,781	38,557	-	-	-	-	-	14,875,141
Balance, February 29, 2024	$ 18,209,117	$ 20,981	$ 3,742,314	$ 105,000	$ -	$ -	$ -	$ -	$ 22,077,412

6. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Mia Property, Quebec

On November 21, 2022, the Company entered into an agreement with 9219-8845 QC Inc., a private Quebec company dba Canadian Mining House ("CMH") and certain investors in CMH ("CMH Nominees") to acquire a 100% interest in the 86 square kilometre Mia Lithium Property (the "Mia Property"). The Mia Property is comprised of 171 mineral claims and located 62 km East of Wemindji Community in the Eeyou Itschee James Bwe wpay Territory, Quebec, Canada.

To acquire a 100% interest in the Mia Property, the Company must:

- Issue to CMH and the CMH Nominees 6,500,000 common shares (issued) and pay $200,000 within 3 days of TSXV acceptance of the acquisition (the "Effective Date") (paid);
- Issue to CMH and the CMH Nominees 6,500,000 common shares and pay $150,000 on the six-month anniversary of Effective Date (issued and paid);
- Incur $1,000,000 in exploration expenditures on the Property within one year of the agreement (incurred); and
- Pay to to CMH and the CMH Nominees $150,000 on the one-year anniversary of the Effective Date (paid).

The Company earned a 100% interest in the Property on the closing date of October 11, 2023.

CMH retained a 3% net smelter returns royalty ('NSR') on the Mia Property (the "Mia NSR"), of which, up to 1% may be repurchased by the Company for $1,000,000 at any time prior to commercial production. CMH subsequently assigned 2% of the Mia NSR on 28 claims in favour of Franco-Nevada Corporation (the "Franco-Nevada NSR"). Separately, CMH assigned 2% of the Mia NSR on certain other mineral claims forming part of the Mia Property in favour of Eastmain Resources Inc. (the "Eastmain NSR"). As a result, CMH retains a 1% NSR on the claims that are part of the Franco-Nevada NSR and Eastmain NSR's and a 3% NSR on all other claims. The Eastmain NSR was extinguished by CMH on August 16, 2023. The Company assumed the obligations under the existing royalties.

On November 2, 2023, the Company entered into an agreement with CMH to repurchase 2% of the Mia NSR on all claims that are not part of the Franco-Nevada NSR for total consideration of $1,280,400. The consideration is payable in a combination of cash and common shares of the Company. Lithium Royalty Corp. acquired the remaining 1% NSR held by CMH on all claims comprising the property. During the year ended February 29, 2024, the Company completed the acquisition of the NSR by issuing 1,400,000 common shares with a fair value of $392,000 and making aggregate cash payments of $888,400.

As at February 29, 2024, Franco Nevada Corporation holds a 2% NSR on 28 claims comprising the Mia Property and Lithium Royalty Corp. holds a 1% NSR on all Mia Property claims.

Stellar Lithium Property, Quebec

On March 2, 2023, the Company acquired the "Stellar Lithium Property" for the cost of staking. The Stellar Lithium Property is compromised of 77 claims totaling 3,972 hectares in the James Bay district of Quebec, Canada.

Big Hill Gold Property, Australia

In December 2021, the Company acquired an 95% interest of Big Hill Gold Mining Company Pty Ltd. ACN 474 179 ("Big Hill)", a private Australian company. Big Hill holds a 100% interest in an exploration permit and two mining licenses comprising the Big Hill Gold Property located in Queensland, Australia.

To acquire its interest in Big Hill, the Company issued 17,5000,000 common shares of the Company and paid $275,325 (AU$300,000) in cash. The shares are subject to a statutory hold period for four months and one day from the date of issuance. In addition, the shares are subject to a contractual escrow and released from escrow as follows: (i) 40% of the shares shall be released from escrow four months and one day following the date of issuance; (ii) 20% of the shares shall be released from escrow 180 days after issuance; (iii) 20% of the shares shall be released from escrow 270 days after issuance; and (iv) the remaining 20% of the shares shall be released from escrow one year from the date of issuance.

(Expressed in Canadian Dollars)

6. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Big Hill Gold Property, Australia (Continued)

As a result of the transaction, the Company has recorded the pro-rata fair value of the non-controlling interest's portion of the net assets of Big Hill at the time of acquisition, resulting in a charge of $171,070 to non-controlling interest. The non-controlling interest (5%) can be acquired by the Company at any time for cash of AU$700,000. Upon the Company acquiring the remaining 5% of Big Hill, the non-controlling interest will receive a 0.75% net smelter royalty.

The purchase price consideration was as follows:

	$
Value of 17,500,000 common shares of the Company	2,975,000
AU $300,000 cash	275,325
Total	3,250,325

The purchase price allocation is as follows:

Current assets	44,577
Exploration and evaluation assets	3,387,574
	3,432,151
Less liabilities assumed:	
Current liabilities	(10,756)
	3,421,395
Non-controlling interest	(171,070)
	3,250,325

Titan Gold Project, Australia

On January 28, 2022, the Company acquired 100% of the issued and outstanding common shares of Orefox Titan Pty Ltd. CAN 640 056 131 ("Orefox Titan"), a private Australian Company. Orefox Titan holds a 100% interest in the Titan Gold Property located contiguous to the Company's Big Hill Gold project in Queensland Australia. To acquire Orefox Titan, the Company issued 300,000 common shares valued at $105,000. At the acquisition date, the net assets of Orefox Titan consisted of the Titan Gold Property.

7. Share capital

Common Shares

(a) Authorized - Unlimited number of common shares without par value.

(b) Issued - As at February 29, 2024, the Company had 89,415,968 (February 28, 2023 – 75,748,693) shares issued and outstanding.

7. Share capital (Continued)

Common Shares (Continued)

Issued during the year ended February 29, 2024:

On June 1, 2023, the Company issued 6,500,000 shares with a fair value of $6,630,000 in connection with the acquisition of the Mia Property. See Note 6.

On December 19, 2023, the Company issued 1,400,000 shares with a fair value of $392,000 in connection with the acquisition of the Mia Property NSR. See Note 6.

During the year ended February 29, 2024, 4,865,200 share purchase warrants priced at $0.25 per share were exercised for gross proceeds of $1,216,300; 675,575 share purchase warrants priced at $0.305 per share were exercised for gross proceeds of $206,050; 126,500 finder's warrants priced at $0.25 were exercised for gross proceeds of $31,625, and 100,000 stock options priced at $0.20 were exercised for gross proceeds of $20,000.

Issued during the year ended February 28, 2023:

On December 2, 2022, the Company issued 6,500,000 shares with a fair value of $3,152,500 in connection with the acquisition of the Mia Property. See Note 6.

On December 15, 2022, the Company completed a non-brokered private placement of 12,500,000 units (each, a "Unit") at a price of $0.10 per Unit for gross proceeds of $1,250,000. Each Unit consists of one common share of the Company (each, a "Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable into one additional Share at a price of $0.305 for two years after the date of issuance. Directors of the Company participated in the private placement for an aggregate 331,612 units.

On February 23, 2023, the Company completed a non-brokered private placement of 4,975,000 units at a price of $0.50 per unit (the "NFT Units") for gross proceeds of $2,487,500. Each NFT Unit consists of one non-flow-through common share and one warrant, entitling the holder to acquire one additional non-flow-through common share at a price of $1.25 per share for a period of two years.

On February 23, 2023, the Company completed a non-brokered private placement of 333,333 units at a price of $0.75 per unit (the "Additional Units") for gross proceeds of $250,000. Each Additional Unit consists of one non-flow-through common share and one warrant, entitling the holder to acquire one additional non-flow-through common share at a price of $1.25 per share for a period of two years.

On February 23, 2023, the Company completed a non-brokered private placement of 6,250,000 units at a price of $1.04 per unit (the "Series C Units") for gross proceeds of $6,500,000. Each Series C Unit consists of one flow-through common share (a "FT Share") and one share purchase warrant, entitling the holder to acquire one additional non-flow-through common share at a price of $1.25 per share for a period of two years. A total of 312,500 units ("Finder Units"), consisting of one common share and one warrant ("Finders Unit Warrants") and an additional 625,000 warrants ("Finder's Warrants") were issued to Churchill SIG Pty Ltd. of Subiaco, Western Australia. Each of the Finder's Unit Warrants are exercisable into one Share at a price of $1.25 per share for a period of two years, and the Finder's Warrants are each exercisable into one Share at a price of $0.50 per share for a period of two years.

On February 23, 2023, the Company completed a non-brokered private placement of 1,350,000 units at a price of $0.75 per unit (the "Series R Units") for gross proceeds of $1,012,500. Each Series R Unit consists of one FT Share and one Warrant; entitling the holder to acquire one additional non-flow-through common share at a price of $1.25 per share for a period of two years.

(Expressed in Canadian Dollars)

7. Share capital (Continued)

Gross proceeds from the sale of the FT Shares will be used to incur during 2023, “Canadian exploration expenses”, as defined in the *Income Tax Act* (Canada) (the “Tax Act”), on the Mia Property in Quebec that the Company will renounce to the subscribers pursuant to the Tax Act with an effective date not later than December 31, 2023, and that qualify as “flow-through critical mineral mining expenditures”, as defined in the Tax Act. Where applicable, gross proceeds from the sale of the FT Shares from purchasers in Québec will also qualify as exploration expenses under the *Taxation Act* (Québec). Proceeds from the sale of the NFT Units will be used for general working capital.

During the year ended February 28, 2023, 3,054,000 share purchase warrants priced at $0.25 were exercised for gross proceeds of $763,500, 100,000 share purchase warrants priced at $0.305 were exercised for gross proceeds of $30,500, and 25,714 stock options priced at $0.40 were exercised for gross proceeds of $10,286.

Warrants

	February 29, 2024		February 28, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	25,652,533	$ 0.78	9,484,700	$ 0.25
Expired	(665,000)	0.25	(774,000)	0.25
Issued	-	-	20,095,833	0.93
Exercised	(5,667,275)	0.25	(3,154,000)	0.25
Balance, end of year	19,320,258	$ 0.97	25,652,533	$ 0.78

The following table summarizes information about warrants outstanding and exercisable at February 29, 2024:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants	Weighted Average Remaining Life (years)
5,474,425	$0.305	December 19, 2024	5,474,425	0.81
12,908,333	$1.25	February 23, 2025**	12,908,333	0.99
625,000	$0.50	February 23, 2025*	625,000	0.99
312,500	$1.25	February 23, 2025*	312,500	0.99
19,320,258			19,320,258	0.94

*Indicates broker warrants.
**On June 4, 2024, the exercise price was amended to $0.60. See Note 14.

(Expressed in Canadian Dollars)

7. Share capital (Continued)

Stock Options

The Company has an Equity Incentive Plan (the "Plan") under which it is authorized to grant options, restricted shares units, performance share units or deferred share units to directors, officers, consultants or employees of the Company. At the Company's Annual General Meeting on November 1, 2023, the shareholders approved the Company's equity incentive plan and set the number of common shares that may be granted under the Plan as a rolling 10% of the Company's issued and outstanding shares at any time. A copy of the plan is available to view on SEDAR.

On January 10, 2023, the Company granted 2,300,000 stock options to directors, officers, and consultants of the Company to purchase an aggregate 2,300,000 common shares in the capital of the Company at an exercise price of $0.42 per share until January 10, 2028. A fair value of $936,338 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - $0.42; dividend yield – 0%; expected volatility – 190.34%; risk free interest rate – 3.23%; and expected life – 5 years. The options vested immediately upon grant.

On March 2, 2023, the Company granted 1,250,000 stock options to directors and consultants. The options are exercisable at the price of $0.85 per share until March 2, 2028. A fair value of $1,038,199 was determined using the Black-Scholes valuation model. The following weighted average assumptions were used: share price - $0.85; dividend yield – 0%; expected volatility – 187.21%; risk free interest rate – 3.66%; and expected life – 5 years. The options vested immediately upon grant.

	February 29, 2024		**February 28, 2023**	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Balance, beginning of year	6,004,285	$ 0.29	3,889,428	$ 0.22
Exercised	(100,000)	0.20	(25,714)	0.40
Cancelled	-	-	(159,429)	0.38
Issued	1,250,000	0.85	2,300,000	0.42
Balance, end of year	7,154,285	$ 0.39	6,004,285	$ 0.29

The following table summarizes the stock options outstanding and exercisable at February 29, 2024:

Number of Options	Exercise Price	Expiry Date	Number of Exercisable Options	Weighted Average Remaining Life (years)
204,285	$0.35	September 9, 2025	204,285	1.53
3,400,000	$0.20	December 7, 2026	3,400,000	2.77
2,300,000	$0.42	January 10, 2028	2,300,000	3.87
1,250,000	$0.85	March 2, 2028	1,250,000	4.01
7,154,285			7,154,285	3.30

(Expressed in Canadian Dollars)

8. Basic and diluted net loss per share

The calculation of basic and diluted loss per share for the year ended February 29, 2024, was based on the loss attributable to common shareholders of $196,324 (February 28, 2023 - $1,898,841) and the weighted average number of common shares outstanding of 83,305,412 (February 28, 2023 – 45,146,151). Outstanding warrants and stock options have been excluded from the calculation of diluted income per share for the periods presented as their effect would be anti-dilutive.

9. Related party balances and transactions

During the years ended February 29, 2024 and February 28, 2023, the Company incurred the following with officers or directors of the Company:

	February 29, 2024	February 28, 2023
Key management compensation* - cash	$ 392,000	$ 318,000
Compensation – share-based compensation	$ 581,392	$ 590,300

* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

Officers and directors of the Company and companies controlled by such individuals were owed $1,374 as at February 29, 2024 (February 28, 2023 – $19,996) for services rendered and for expenses incurred in the ordinary course of business. The amounts are unsecured, non-interest bearing with no fixed terms of repayment.

On April 1, 2022, the Company transferred its Nevada Rose, Angelo Bell, Coral Zinc and Round Pond properties to its wholly-owned subsidiary Minfocus International Inc. ("MFI"). On May 30, 2022, the Company sold MFI to a former director, now an arm's length party, as settlement for aggregate amounts owing of $60,000.

10. Loan payable

As part of the acquisition of Big Hill, the Company assumed a balance payable from an intercompany loan from the former owner of the property in the amount of AU$30,499 (February 28, 2023 – AU$30,499). The balance was non-interest bearing and no terms of repayment were set. During the year ended February 29, 2024, the loan was repaid in full.

11. Commitments

The Company engaged Venture Liquidity Providers Inc. ("VLP") to provide market-making services. The market making service is undertaken by VLP through a registered broker, W.D.Latimer Co. Ltd. in compliance with TSX-V policies. VLP will buy and sell shares of the Company on the TSX-V for the purpose of maintaining an orderly trading market or providing liquidity in the Company's shares. The term of the agreement is for one year and may be terminated by either party immediately upon receiving written notice. In consideration, the Company will pay VLP $60,000 plus GST. Following the initial term, the agreement will automatically renew for successive additional 12-month terms. The Company and VLP are unrelated and unaffiliated entities.

(Expressed in Canadian Dollars)

12. Liability and income tax effect on flow-though shares

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On February 23, 2023, the Company issued 6,250,000 common shares on a "flow-through" basis at a price of $1.04 per Share for gross proceeds of $6,500,000. A flow-through share liability of $1,562,500 was recognized at the date of issuance based on the premium value of the flow-through share at the time of issuance. At February 29, 2024, the Company has incurred $6,500,000 in qualified expenditures.

On February 23, 2023, the Company issued 1,350,000 common shares on a "flow-through" basis at a price of $0.50 per Share for gross proceeds of $1,012,500. A flow-through share liability of $nil was recognized at the date of issuance based on the flow-through shares being issued at a price below market at the time of issuance. At February 29, 2024, the Company has incurred $66,028 in qualified expenditures.

13. Income taxes

(a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the federal statutory rate of 26.82% (February 28, 2023 – 27.0%) were as follows:

	February 29, 2024	February 28, 2023
Net loss before taxes	$ (196,324)	$ (1,898,841)
Expected income tax recovery based on statutory rate	(53,000)	(524,000)
Adjustments to expected income tax benefit:		
Share-based compensation	278,000	253,000
Flow-through recovery	(419,000)	-
Other	-	(18,000)
Change in benefit of tax assets not recognized	194,000	289,000
Deferred income tax (recovery)	$ -	$ -

(b) Deductible temporary differences

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	February 29, 2024	February 28, 2023
Share issue costs	$ 59,000	$ 75,000
Interest in exploration properties	830,000	851,000
Non-capital loss carry-forwards	3,654,000	2,979,000
Capital Loss carry-forwards	2,238,000	2,238,000
	$ 6,781,000	$ 6,143,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the tax benefits can be utilized.

(Expressed in Canadian Dollars)

13. Income taxes (Continued)

The Company has approximately $830,000 of Canadian eligible exploration and development expenditures which can be carried forward indefinitely to be utilized against future taxable income. Also, the Company has approximately $3,654,000 (February 28, 2023 - $2,979,000) of non-capital loss and $2,238,000 (February 28, 2023 – $2,238,000) of capital loss carry forwards in Canada. These losses expire as follows:

Year		Amount
2030	$	65,000
2031		149,000
2032		345,000
2033		89,000
2034		92,000
2035		59,000
2036		67,000
2037		88,000
2038		48,000
2039		312,000
2040		40,000
2041		78,000
2042		564,000
2043		938,000
2044		720,000
Total	$	3,654,000

14. Subsequent events

Warrant exercise

On March 8, 2024, 25,000 share purchase warrants priced at $0.305 were exercised for gross proceeds of $7,625.

Warrant re-price

On June 4, 2024, the TSX Venture Exchange (the “TSXV”) approved the Company’s request to amend the exercise price of an aggregate of 12,908,333 outstanding common share purchase warrants that were issued as part of the Company’s private placement that closed on February 23, 2023 (the “Warrants”). The Warrants had an original exercise price of $1.25 and the Company has amended the exercise price to $0.60. All other terms of the Warrants remain the same, including the original expiry date of February 23, 2025.

Stock options issued

On May 22, 2024, the Company granted 1,500,000 stock options to directors, officers and consultants of the Company. The stock options are priced at $0.31 per share and have a term of 5 years.

14. Subsequent events (Continued)

Property acquisition

On June 2024, the Company entered into three individual option agreements which granted the exclusive right and option to acquire a 100% interest in three groups of mineral claims collectively known as the Cisco Property, located in the southern portion of Eeyou Istchee James Bay, Quebec, Canada. Under the terms of the three individual Option Agreements, the aggregate consideration payable for the Cisco Property is $2,400,000 cash, 60,000,000 common shares of the Company and exploration expenditures of $12,000,000, broken down on a per Option Agreement basis as follows:

Cisco Claim Group

The Company entered into an option agreement to acquire a 100% interest in 121 mineral claims (the “Cisco Claims”) by paying total consideration of an aggregate of 40,000,000 common shares (10,000,000 shares issued with a fair value of $2,800,000), $2,000,000 cash ($1,100,000 paid) and conduct $12,000,000 in exploration expenditures, over a four-year period. The vendor will retain a 4% gross metals returns royalty (“GMR”) on the Cisco Claims (the “Cisco GMR”), of which up to 3% of the Cisco GMR can be repurchased by the Company at any time after the option for the Cisco Claims is exercised and prior to commercial production. The Company may repurchase the first 1% for $1,500,000, the next 1% for $3,000,000 and the Company has a right of first refusal on the next 1%. The foregoing Cisco GMR purchase payments may be satisfied in either cash or common shares, at the election of the Company. The vendor will also be paid a cash bonus of $2,500,000 on the completion and delivery of an initial mineral resource calculation report, prepared in accordance with National

Instrument 43-101 – Standards of Disclosure for Mineral Projects, on the Cisco Claims demonstrating an inferred resource (or higher category) of at least 25 million tonnes grading over 1% Li_2O.

Broadback Claims

On June 12, 2024, the Company entered into an option agreement (the “Broadback Agreement”) with 9219-8845 Quebec Inc (“9219”), Steven Labranche and Anna-Rosa Giglio (the “Broadback Vendors”), to acquire a 100% interest in 24 mineral claims (the “Broadback Claims”) from the Broadback Vendors. The Company must pay to the Broadback Vendors total consideration of an aggregate of 10,000,000 common shares (5,000,000 shares issued with a fair value of $1,400,000) and $200,000 (paid). 9219 and Ressources Broadback Inc. have been granted a 3% GMR on the Broadback Claims (the “Broadback GMR”), of which up to 2% of the Broadback GMR can be repurchased by the Company at any time prior to commercial production for $1,000,000 for the first 1% and $2,000,000 for the next 1%. The foregoing Broadback GMR purchase payments may be satisfied in either cash or Common Shares, at the election of the Company.

Ouagama Claims

On June 12, 2024, the Company entered into an option agreement (the “Ouagama Agreement”) with 9219, Steven Labranche, Anna-Rosa Giglio, Trent Potts and Potts of Gold Resources Pty Ltd. (the “Ouagama Vendors”), to acquire a 100% interest in 77 mineral claims (the “Ouagama Claims”) from the Ouagama Vendors. The Company must pay to the Ouagama Vendors total consideration of an aggregate of 10,000,000 Common Shares (5,000,000 shares issued with a fair value of $1,400,000) and $200,000 (paid). The Ouagama Vendors have been granted a 3% GMR on the Ouagama Claims (the “Ouagama GMR”), of which up to 2% of the Ouagama GMR can be repurchased by the Company at any time prior to commercial production for $1,000,000 for the first 1% and $2,000,000 for the second 1%. The foregoing Ouagama GMR purchase payments may be satisfied in either cash or Common Shares, at the election of the Company.