STUHINI EXPLORATION LTD.
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED
FEBRUARY 29, 2024

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Stuhini Exploration Ltd.

Opinion

We have audited the consolidated financial statements of Stuhini Exploration Ltd. (the "Company"), which comprise the consolidated statements of financial position as at February 29, 2024 and February 28, 2023, and the consolidated statements of net and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 David Goertz.

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

June 27, 2024

(Expressed in Canadian Dollars)

As at	Note		February 29, 2024		February 28, 2023
ASSETS					
Current					
Cash and cash equivalents	6	$	885,340	$	960,451
Short-term investment	7		500,000		-
Amounts receivable	8		86,145		119,981
Prepaid expenses	9		117,124		133,580
Marketable securities	10		100,000		195,000
Total current			1,688,609		1,409,012
Exploration and evaluation assets	11		9,822,067		8,191,889
Reclamation bonds	11		185,963		85,963
Equipment			1,056		1,486
Total assets		$	11,697,695	$	9,688,350
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable		$	7,150	$	74,462
Accrued liabilities			61,378		42,916
Due to related parties	14		34,159		52,955
Flow-through share premium liability	13		-		11,044
Total current			102,687		181,377
Deferred tax liability	15		178,000		343,000
Total liabilities			280,687		524,377
Shareholders' equity					
Share capital	12		13,816,997		10,877,958
Reserves	12		1,036,076		681,661
Deficit			(3,436,065)		(2,395,646)
Total shareholders' equity			11,417,008		9,163,973
Total liabilities and shareholders' equity		$	11,697,695	$	9,688,350

Nature and continuance of operations (Note 1)
Subsequent event (Note 11)

Approved and authorized for issuance on behalf of the Board of Directors on June 27, 2024:

"David O'Brien"
David O'Brien, Director

"Josef Anthony Fogarassy"
Josef Anthony Fogarassy, Director

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

(Expressed in Canadian Dollars)

	Note	Years ended February 29, 2024	February 28, 2023
Expenses:			
Advertising and promotion	14	$ 152,410	$ 132,216
Amortization		430	97
Consulting fees	14	302,725	266,722
Office expenses		29,876	34,715
Project investigation costs	14	15,234	39,039
Professional fees	14	154,372	84,871
Regulatory fees		48,715	24,554
Share-based compensation	12,14	286,091	92,967
Travel, meals, and entertainment		29,115	22,050
Write-off of exploration and evaluation assets	11	133,017	-
Operating expenses		(1,151,985)	(697,231)
Other items			
Unrealized gain (loss) on marketable securities	10	(95,000)	59,000
Loss on equity investments		-	(9,230)
Recovery of flow-through share premium liabilities	13	11,044	155,338
Interest earned	6,7	30,522	-
Interest expense		-	(1,668)
Net loss for the year before income taxes		(1,205,419)	(493,791)
Income tax expense – deferred	15	165,000	(343,000)
Net and comprehensive loss		$ (1,040,419)	$ (836,791)
Loss per share, basic and diluted		$ (0.02)	$ (0.03)
Weighted average number of common shares outstanding; basic and diluted		45,556,675	29,930,913

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

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Deficit	Total
Balance, February 28, 2022	25,972,776	$ 7,092,975	$ 578,182	$ (1,558,855)	$ 6,112,302
Private placements	10,520,135	3,354,436	-	-	3,354,436
Share issuance costs	-	(196,841)	12,782	-	(184,059)
Flow-through share premium	-	(166,382)	-	-	(166,382)
Shares issued for property	1,825,000	674,750	-	-	674,750
Shares issued on exercise of options	175,000	119,020	(42,270)	-	76,750
Share-based compensation	-	-	132,967	-	132,967
Net and comprehensive loss for the year	-	-	-	(836,791)	(836,791)
Balance, February 28, 2023	38,492,911	10,877,958	681,661	(2,395,646)	9,163,973
Private placements	6,000,000	2,400,000	-	-	2,400,000
Share issuance costs	-	(61,086)	3,750	-	(57,336)
Shares issued for property	1,862,500	600,125	-	-	600,125
Share-based compensation	-	-	350,665	-	350,665
Net and comprehensive loss for the year	-	-	-	(1,040,419)	(1,040,419)
Balance, February 29, 2024	46,355,411	$ 13,816,997	$ 1,036,076	$ (3,436,065)	$ 11,417,008

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

(Expressed in Canadian Dollars)

	Years ended February 29, 2024	Years ended February 28, 2023
Cash flows used in operating activities		
Loss for the year	$ (1,040,419)	$ (836,791)
Items not affecting cash used in operations		
Amortization	430	97
Accrued interest	-	1,668
Foreign exchange gain	-	(7)
Income taxes	(165,000)	343,000
Realized loss on sale of marketable securities	-	9,230
Recovery of flow-through share premium liabilities	(11,044)	(155,338)
Share-based compensation	350,665	132,967
Unrealized (gain) loss on marketable securities	95,000	(59,000)
Write off of exploration and evaluation assets	133,017	-
Changes in non-cash working capital items		
Amounts receivable	33,836	(26,301)
Prepaid expenses	16,456	16,108
Accounts payable	(6,761)	(97,223)
Accrued liabilities	18,462	(4,155)
Due to related parties	6,087	(50,476)
Net cash used in operating activities	(569,271)	(726,221)
Cash flows used in investing activities		
Exploration and evaluation assets, net of tax credits	(1,248,504)	(2,412,325)
Funds paid for reclamation bond	(100,000)	(37,208)
Short-term investment	(500,000)	-
Acquisition of equipment	-	(1,413)
Cash received from sale of equity investments	-	58,770
Net cash used in investing activities	(1,848,504)	(2,392,176)
Cash flows provided by financing activities		
Issuance of shares for cash, net of issuance costs	2,342,664	3,170,377
Issuance of shares on exercise of options	-	76,750
Repayment of related party loan	-	(121,668)
Net cash provided by financing activities	2,342,664	3,125,459
Change in cash and cash equivalents	(75,111)	7,062
Cash and cash equivalents, beginning	960,451	953,389
Cash and cash equivalents, ending	$ 885,340	$ 960,451

Non-cash transactions:		
Shares issued for property	$ 600,125	$ 674,750
Change in deferred exploration costs included in accounts payable and amounts due to related parties	$ (85,434)	$ 86,081

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Stuhini Exploration Ltd. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 7, 2017. The Company is focused on acquisition, exploration, and development of mineral properties in Western Canada, namely the Provinces of British Columbia ("BC") and Manitoba, and the Yukon. The Company's shares ("Common Shares") are traded on the TSX Venture Exchange (the "Exchange") under the symbol "STU" and, as of September 6, 2023, the Company's Common Shares are also traded on OTCQB under the symbol "STXPF". Concurrently with listing its Common Shares on OTCQB, the Company's shares became DTC eligible. On April 4, 2022, the Company incorporated Arizada Metals Corp. ("Arizada") under the Arizona Business Corporations Act. The Company holds 100% of the issued and outstanding shares of Arizada, which has acquired mineral properties in Arizona, USA.

The Company's head office and registered records office address is 1245 Broadway W., Unit 105, Vancouver, BC V6H 1G7.

These consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to realize its assets and discharge its liabilities is dependent upon the Company obtaining the necessary financing and ultimately upon its ability to achieve profitable operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of Compliance and Basis of Preparation

These consolidated financial statements were authorized for issue on June 27, 2024, by the Board of Directors of the Company.

The Company's consolidated financial statements, including comparatives, have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation and Consolidation

The consolidated financial statements of the Company as at and for the year ended February 29, 2024, comprise of the Company and its wholly-owned subsidiary, Arizada. Arizada is consolidated from the date of its incorporation, as Stuhini is the sole shareholder and therefore has the control and power to govern the financial and operating policies of Arizada so as to obtain benefits from its activities. The Company will continue to consolidate until the date Stuhini no longer has control over Arizada. The financial statements of Arizada are prepared for the same reporting period as the parent company, using consistent accounting policies. Balances, transactions, income and expenses between Stuhini and Arizada are eliminated on consolidation.

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments, which are recorded at fair value. All amounts are expressed in Canadian dollars.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the year. Actual results could differ from these estimates. The areas involving significant assumptions and estimates are disclosed in Note 4.

Functional and Presentation Currencies

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiary, Arizada, is also the Canadian dollar, which is determined to be the currency of the primary economic environment in which Arizada operates.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Translation of foreign currency transactions

Transactions in foreign currencies are translated using the exchange rate prevailing at the date of the transaction. At each reporting date, foreign currency denominated monetary assets and liabilities are translated at year-end exchange rates. Exchange differences arising from the transactions are recorded in profit or loss for the period.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held-for-trading or derivatives) or the Company has opted to measure them at FVTPL.

Classification

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at (i) amortized cost; (ii) FVTOCI; or (iii) FVTPL. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income or loss.

Financial liabilities are designated as either: (i) FVTPL; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to initial recognition and how changes in value are recorded. Accounts payable are classified under other financial liabilities and carried on the consolidated statements of financial position at amortized cost.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Measurement

All financial assets and liabilities are initially measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets and liabilities at FVTPL where transaction costs are expensed.

Financial assets and liabilities at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets are subsequently measured at amortized cost using the effective interest method. The amortized cost of reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

Financial liabilities that provide the holder the right to convert the liability into a fixed number of common shares at a fixed conversion price are compound financial instruments. Any excess of the proceeds received compared to the fair value of the financial liability recognized on initial recognition is allocated to an equity reserve account. The financial liability is subsequently measured at amortized cost.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The Company derecognizes financial liability when its contractual obligations are discharged, canceled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

Exploration and evaluation expenditures

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

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

From time-to-time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

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

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

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

Although the Company has taken steps that it considers adequate to verify title to mineral properties which it has interest in, these procedures do not guarantee the Company's title.

Restoration and environmental obligations

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

As at February 29, 2024, the Company had not recognized any provisions for restoration and environmental obligations.

Flow-through shares

The proceeds from issuance of flow-through shares are allocated between the offering of the shares and the sale of tax benefits based on the premium that the investor pays for the shares. A premium liability is recognized for this difference and is reduced on a pro-rata basis by crediting other income when the Company makes the qualifying expenditures and there is a reasonable expectation of the renunciation of these expenditures to the tax authorities.

Income taxes

Income tax is recognized in net loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income. 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 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 statement of financial position date.

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.

Share-based compensation

Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and is recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based compensation reserve. The fair value of options is determined using the Black–Scholes Option pricing model. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of Common Shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of Common Shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase Common Shares at the average market price during the period.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. These financial statements include estimates which, by their nature, are uncertain. These assumptions and associated estimates are based on historical experience and other factors that are considered to be relevant. The current market conditions introduce additional uncertainties, risks and complexities in management's determination of the estimates and assumptions used to prepare the Company's financial results. As volatility in financial markets is an evolving situation, management cannot reasonably estimate the length or severity of the impact on the Company. As such, actual results may differ from estimates and the effect of such differences may be material. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

(Expressed in Canadian Dollars)

Critical judgments in applying accounting policies

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- the classification/allocation of expenses as exploration and evaluation expenditures or operating expenses;
- the classification and measurement of the Company's financial assets and liabilities;
- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluations assets.

Key sources of estimation uncertainty include the following:

- the recoverability of the carrying value of exploration and evaluation assets when impairment indicators exist;
- recoverability and measurement of deferred tax assets;
- provisions for restoration and environmental obligations and contingent liabilities; and
- measurement of share-based compensation.

5. FINANCIAL INSTRUMENTS AND RISKS

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 at the fair value hierarchy are:

Level 1 — quoted prices in active markets for identical assets and liabilities.
Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.
Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The Company has classified its cash as measured at fair value in the statement of financial position, using level 1 inputs.

Categories of financial instruments

As at:	**February 29, 2024**	**February 28, 2023**
Financial assets:		
FVTPL		
Cash and cash equivalents	$ 885,340	$ 960,451
Short-term investment	$ 500,000	$ -
Marketable securities	$ 100,000	$ 195,000
Amounts receivable	$ 86,145	$ 119,981
Reclamation bonds	$ 185,963	$ 85,963
Financial liabilities:		
Amortized cost		
Accounts payable	$ 7,150	$ 74,462
Accrued liabilities	$ 61,378	$ 42,916
Due to related parties	$ 34,159	$ 52,955

Assets and liabilities measured at fair value on a recurring basis:

As at February 29, 2024	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 885,340	$ -	$ -	$ 885,340
Short-term investment	500,000	-	-	500,000
Marketable securities	100,000	-	-	100,000
	$ 1,485,340	$ -	$ -	$ 1,485,340

Accounts payable, accrued liabilities, and due to related parties approximate their fair value due to the short-term nature of these instruments.

Risk management

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

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, which is held with a high-credit quality financial institution and amounts receivable from the Government of Canada. As such, the Company's credit risk exposure is minimal.

Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. *Interest rate risk:*
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at February 29, 2024, the Company had a total of $1,200,000 invested in short-term guaranteed investment certificates ("GIC") with varying maturities, which are held at the major Canadian banking institution (Notes 6 and 7). Aside from the funds held in GICs, as at February 29, 2024, the Company had no other interest accumulating financial assets that could become susceptible to interest rate fluctuations. The Company believes that the interest rate risk continues to be low.

ii. *Currency risk:*
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's main operations currently are in Canada; the Company does not have a permanent presence, other than the required statutory agent, in Arizona. The Company holds its cash in Canadian dollars and pays its US vendors by converting its Canadian dollar cash to the US dollars on as needed basis. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar could have an effect on the Company's results of operations, financial position, and/or cash flows. At February 29, 2024, the Company had no hedging agreements in place with respect to foreign exchange rates. As the majority of the transactions of the Company are denominated in Canadian dollars movements in the foreign exchange rates are not expected to have a material impact on the consolidated statements of comprehensive loss.

iii. *Equity price risk:*
Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is exposed to equity price risk as a result of its investment in marketable securities following the sale of the Metla Property in exchange for common shares of Brixton Metals Corporation (Notes 10 and 11). The Company closely monitors the commodity markets and the stock market generally as well as individual equity movements in order to determine the appropriate course of action to be taken with respect to its interest in marketable securities.

(Expressed in Canadian Dollars)

Liquidity risk:

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. As at February 29, 2024, the Company had cash and cash equivalents of $885,340 to settle current financial liabilities of $102,687.

The following table details the remaining contractual maturities of the Company's financial liabilities as of February 29, 2024:

	Within 1 year	1-5 years	5+ years
Accounts payable	$ 7,150	$ -	$ -
Accrued liabilities	61,378	-	-
Amounts due to related parties	34,159	-	-
	$ 102,687	$ -	$ -

6. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of the following:

	February 29, 2024	February 28, 2023
Cash at bank and on hand	$ 185,340	$ 960,451
Cash held in short-term guaranteed investment certificates ("GIC")	700,000	-
Total cash and cash equivalents	$ 885,340	$ 960,451

Cash at bank earns interest at floating rates based on daily bank deposit rates. Cash in GIC is deposited for varying periods of between three and twelve months, depending on the immediate cash requirements of the Company, and earns interest at the respective short-term deposit rates. For the year ended February 29, 2024, the Company recorded an interest income of $14,344 on cash held in GIC; this amount was recorded as part of amounts receivable as at February 29, 2024 (Note 8).

The Company deposits cash only with major Canadian banking institution of high-quality credit standing.

7. **SHORT-TERM INVESTMENT**

Short-term investment consists of $500,000 non-redeemable 12-month GIC with an annual interest rate of 5.7%, maturing on September 6, 2024. For the year ended February 29, 2024, the Company recorded an interest income of $13,742 on cash held in non-redeemable GIC; this amount was recorded as part of amounts receivable as at February 29, 2024 (Note 8).

8. **AMOUNTS RECEIVABLE**

Amounts receivable consisted of the following:

	February 29, 2024	February 28, 2023
GST receivable	$ 58,059	$ 119,981
Interest earned on redeemable GIC (Note 6)	14,344	-
Interest earned on short-term investment held in GIC (Note 7)	13,742	-
Total amounts receivable	$ 86,145	$ 119,981

9. **PREPAID EXPENSES**

Prepaid expenses consisted of the following:

	February 29, 2024	February 28, 2023
Prepaid exploration costs	$ 50,799	$ 87,913
Prepaid operating expenses	66,325	39,764
Prepaid share issuance costs	-	5,903
Total prepaid expenses	$ 117,124	$ 133,580

(Expressed in Canadian Dollars)

10. MARKETABLE SECURITIES

The Company's marketable securities consist of 1,000,000 common shares of Brixton Metals Corporation (the "BBB Shares") valued at $100,000 (February 28, 2023 –$195,000). During the year ended February 29, 2024, the Company recognized an unrealized loss of $95,000 (February 28, 2023 - $59,000 gain) pursuant to a change in the fair value of marketable securities.

11. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets ("E&E Assets") consist of the Ruby Creek, the Que, the South Thompson, the Big Ledge and the Arizona Properties. The costs incurred on the Company's exploration and evaluation assets are summarized as follows:

As at February 29, 2024	**Ruby Creek Property**	**Que Property**	**South Thompson Property**	**Big Ledge Property**	**Arizona Properties**	**Total**
Total E&E Assets, February 28, 2023	**$ 7,528,034**	**$ 320,235**	**$ 41,762**	**$ 248,903**	**$ 52,955**	**$8,191,889**
Mineral tenure/lease payments	49,320	-	-	-	-	49,320
Acquisition/option payments	1,186,698	66,375	15,790	-	44,064	1,312,927
Write-off	-	-	-	-	(74,065)	(74,065)
Additions, acquisition costs	1,236,018	66,375	15,790	-	(30,001)	1,288,182
Deferred exploration costs:						
Assaying	28,852	-	-	94	-	28,946
Camp and travel	96,976	-	-	1,855	26,156	124,987
Equipment use/rental	84,665	-	-	1,881	15,394	101,940
Geology	148,672	7,448	-	58,794	50,742	265,656
Write-off	-	-	-	-	(58,952)	(58,952)
Additions, deferred exploration costs	359,165	7,448	-	62,624	33,340	462,577
Exploration tax credits received	(98,237)	-	-	(22,344)	-	(120,581)
Total E&E Assets, February 29, 2024	**$ 9,024,980**	**$ 394,058**	**$ 57,552**	**$ 289,183**	**$ 56,294**	**$9,822,067**

As at February 28, 2023	**Ruby Creek Property**	**Que Property**	**South Thompson Property**	**Big Ledge Property**	**Arizona Properties**	**Total**
Total E&E Assets, February 28, 2022	**$ 4,567,297**	**$ 245,246**	**$ 31,778**	**$ 174,411**	**$ -**	**$ 5,018,732**
Mineral tenure/lease payments	98,640	-	401	-	52,213	151,254
Acquisition/option payments	913,984	62,250	3,553	-	-	979,787
Additions, acquisition costs	1,012,624	62,250	3,954	-	52,213	1,131,041
Deferred exploration costs:						
Assaying	102,584	854	-	-	-	103,438
Camp and travel	330,505	7,512	2,557	-	-	340,574
Drilling	548,403	-	-	-	-	548,403
Equipment use/rental	284,173	-	-	-	-	284,173
Geology	682,487	4,373	3,473	74,492	742	765,567
Additions, deferred exploration costs	1,948,152	12,739	6,030	74,492	742	2,042,155
Exploration tax credits received	(39)	-	-	-	-	(39)
Total E&E Assets, February 28, 2023	**$ 7,528,034**	**$ 320,235**	**$ 41,762**	**$ 248,903**	**$ 52,955**	**$8,191,889**

(Expressed in Canadian Dollars)

In addition to the above property acquisition and exploration costs, at February 29, 2024, the Company had $50,799 in prepayments on the future exploration programs on its mineral properties (February 28, 2023 - $87,913), which were recorded as part of prepaid expenses (Note 9).

Ruby Creek Property

On July 30, 2019, the Company entered into an option agreement (the "Ruby Creek Option Agreement") with Global Drilling Solutions Inc. ("Global Drilling"), a private BC corporation wholly owned by Barry Hanslit, the Company's co-founder and a major shareholder, whereby the Company was granted a right to acquire a 100% interest in Global Drilling's Ruby Creek Property (the "Ruby Creek Option"). The Ruby Creek Property is located within the Atlin Mining Division of BC approximately 20 kilometres ("km") east of Atlin and, as initially acquired, consisted of 49 contiguous mineral claims of which one is a mining lease.

Based on the Ruby Creek Option Agreement, to fully exercise its Ruby Creek Option, the Company was required to issue a total of 7,300,000 Common Shares and make cash payments for a total of $1,060,000 over a four-year term, as detailed in the table below. Upon exercise of the Ruby Creek Option, Global Drilling would be entitled to a 1% net smelter returns royalty ("NSR") on portions of the Ruby Creek Property originally optioned by Global Drilling to the Company.

Date	Common Shares	Cash Payments
December 31, 2019 (Common Shares issued)	800,000	$ -
On or before December 31, 2020 (Common Shares issued)	1,250,000	-
On or before December 31, 2021 (Common Shares issued, note payable issued and repaid)	1,750,000	120,000
On or before December 31, 2022 (Common Shares issued, cash payment made)	1,750,000	300,000
On or before December 31, 2023 (Common Shares issued, cash payment made)	1,750,000	640,000
Total	**7,300,000**	**$ 1,060,000**

On June 5, 2023, the Company exercised its option to acquire the Ruby Creek Property by issuing the final 1,750,000 Common Shares valued at $533,750 and making a cash payment of $640,000 to Global Drilling pursuant to the terms of the Ruby Creek Option Agreement. In addition, the Company paid $100,000 cash to Global Drilling associated with the reclamation bond on the existing Mines Act permit on the Ruby Creek Molybdenum Project. Concurrently, Global Drilling submitted a transfer of title application to the Ministry of Energy, Mines and Low Carbon Innovation to transfer the $100,000 reclamation bond held by the Government of BC, under Global Drilling's title, to the Company. The transfer application was processed and approved by the Government of BC in February of 2024.

In September of 2020, the Company staked additional claims contiguous to the Ruby Creek Property and added these to the original claims. In July of 2021, with a cash payment of $60,000, the Company acquired from Brixton Metals Corporation ("Brixton") five (5) additional mineral claims (the "Island Claims") that are contiguous with the Ruby Creek Property. 1% NSR is retained by Brixton and 1% NSR is retained by third parties from whom Brixton originally acquired these claims. In February of 2023, the Company staked an additional claim contiguous to the Ruby Creek Property which was also added to the original Ruby Creek Property. In September of 2023, the Company staked two new claims which were added to the Ruby Creek Property increasing total claims to 58 claims. On June 3, 2024, the Company entered into a purchase and sale agreement to sell these two claims for a one time cash payment of $20,000 and a 0.5% NSR. The Company received the cash payment on June 11, 2024, at which point the claims were transferred to the purchaser.

The mineral lease, associated with the historical Molybdenum deposit, included as part of the Ruby Creek Property is subject to an annual flat fee lease payment of $49,320 with no work requirement. The Company decided to renew the 2024/25 year lease in February of 2024, ahead of schedule, extending the lease until March 27, 2025. The $49,320 annual lease payment was included in the Company's property acquisition costs for the year ended February 29, 2024.

During the year ended February 29, 2024, the Company spent $359,165 (February 28, 2023 - $1,948,152) in deferred exploration costs associated with the exploratory, drilling, and mine development programs on Ruby Creek Property. During the year ended February 29, 2024, the Canada Revenue Agency issued an exploration tax refund for the eligible exploration expenses on the Ruby Creek Property totalling $98,237, which was used to reduce the deferred exploration costs.

(Expressed in Canadian Dollars)

As at February 29, 2024, the Company had a total of $125,000 reclamation bonds on deposit with the BC Ministry of Energy, Mines and Low Carbon Innovation in connection with the Ruby Creek Property.

Que Property

On February 17, 2020, the Company entered into an option agreement (the "Que Option Agreement"), whereby the Company was granted a right to acquire a 100% interest in the Que Property (the "Que Option") located in southcentral Yukon. The Que Option Agreement was amended and restated with the vendors on February 28, 2020 (the "Amended Que Option Agreement"). The Que Option Agreement, as amended and restated, was conditional on acceptance for filing by the Exchange, which was received on April 1, 2020. The Que Property consisted of 108 mineral claims. During the year ended February 28, 2021, the Company staked an additional 96 claims bringing the entire claims package to 204 claims.

Based on the Amended Que Option Agreement, to fully exercise its Que Option, the Company was required to issue a total of 2,950,000 Common Shares and make cash payments for a total of $380,000 over a four-year term to the Que vendors. Upon receipt of assays showing no significant mineralization from a shallow early stage 2-hole drill program, the Company commenced renegotiating the Amended Que Option Agreement. The further amended and restated option agreement was finalized on October 26, 2020, and its material terms are detailed in the table below.

Date	Common Shares	Cash Payment
April 1, 2020 (Common Shares issued)	200,000	$ -
1st Anniversary of Approval (Common Shares issued)	50,000	-
2nd Anniversary of Approval (Common Shares issued)	75,000	-
3rd Anniversary of Approval (Common Shares issued)	112,500	-
4th Anniversary of Approval (Common Shares issued, cash payment made) (1)	125,000	35,000
5th Anniversary of Approval	375,000	60,000
Total	**937,500**	**$ 95,000**

(1) The Company issued 125,000 Common Shares representing the 4th anniversary option payment on March 19, 2024. The Common Shares were valued at $23,125.

During the year ended February 29, 2024, the Company spent $7,448 (February 28, 2023 - $12,739) in deferred exploration costs associated with the exploratory program on the Que Property.

South Thompson Property

During the year ended February 28, 2022, the Company staked seven mineral exploration licenses ("MEL") along the southern extent of the Thompson Nickel Belt, approximately 35 km northwest of Grand Rapids, Manitoba (the "South Thompson Property"). On March 25, 2022, the Company applied for a 5-year mineral license for an additional MEL totalling 15,368 ha in size in order to consolidate areas of interest that overlap three of the previously held land parcels. On September 13, 2022, the Company was approved for a five-year MEL for an additional 15,368 ha. The Company dropped four of previous seven MEL's outside the consolidated area and received approval in September 2022 on a consolidated MEL package totaling approximately 30,336 ha.

The Company paid a total of $3,223 in staking fees associated with the South Thompson Property. In addition, the Company paid $4,160 in acquisition payments which were associated with the licensing negotiations with the local authorities overseeing the staked claims.

On May 23, 2023, the Company entered into a purchase agreement with a vendor (the "Purchase Agreement") for the acquisition of strategic information and access to a proprietary database of mineral prospects in Arizona and Manitoba ("Strategic Information"). As a result, the Company agreed to compensate the vendor by granting him a 1% NSR royalty (the "Manitoba NSR Royalty") in respect of all concentrates and ores produced from the South Thompson Property, with an option to repurchase at any time 0.5% of the Manitoba NSR Royalty for a consideration of $50,000.

During the year ended February 29, 2024, the Company paid $15,168 for an annual mineral exploration license on South Thompson Property. The Company did not have any deferred exploration costs associated with the South Thompson Property for the year ended February 29, 2024 (February 28, 2023 - $6,030).

As at February 29, 2024, the Company had a $41,500 reclamation bond on deposit with the Manitoba Ministry of Innovation, Energy and Mines in connection with the South Thompson Property.

Big Ledge Property

On July 26, 2021, the Company acquired the Big Ledge Property located in southeast BC approximately 57 km south of the city of Revelstoke. The Big Ledge Property was acquired from a director to the Company for nominal consideration of $10. No royalties, finder's fees or work commitments are associated with the Big Ledge Property or the transaction. During the year ended February 29, 2024, the Company spent $62,624 (February 28, 2023 - $74,492) in deferred exploration costs associated with the Big Ledge Property.

During the year ended February 29, 2024, the Canada Revenue Agency issued an exploration tax refund for the eligible exploration expenses on the Big Ledge Property totalling $22,344, which was used to reduce the deferred exploration costs.

Arizona Properties

In June 2022, the Company, through Arizada, acquired by staking and through the acquisition of Mineral Exploration Permits, four new properties, covering a total of 3,781 ha, in the southeast quadrant of Arizona (the "Arizona Properties"). The Company paid $52,213 in staking and permitting fees associated with the Arizona Properties. During the year ended February 29, 2024, the Company paid an additional $4,079 to renew its permits associated with Arizona Properties.

On May 23, 2023, the Company entered into a purchase agreement with a vendor (the "Purchase Agreement") for the acquisition of strategic information and access to a proprietary database of mineral prospects in Arizona and Manitoba ("Strategic Information"). The Company made a $35,000 cash payment on signing of the Purchase Agreement and agreed to additional annual cash payments in respect of each Arizona property for a total of $620,000 (provided the Company has not abandoned such properties prior thereto) expiring on May 25, 2027. The Company also agreed to 1% net smelter returns royalty (the "NSR Royalty") in respect of all ores and concentrates produced from the Arizona Properties upon achieving commercial production, with an option to repurchase 0.5% NSR Royalty on any of the four Arizona Properties for consideration of $1,000,000 per Arizona Property. During the year ended February 29, 2024, the Company spent an additional $4,985 in due-diligence costs which were recorded as part of acquisition costs.

During May and June of 2023, the Company carried out a fieldwork program on Arizona claims. As a result of the fieldwork, the Arizona claims were reduced in size to 1,285 ha.

During the year ended February 29, 2024, the Company spent $92,292 (February 28, 2023 - $742) in deferred exploration costs associated with the Arizona Properties, of which $11,118 were paid to Arizona State Treasurer as a payment in lieu of exploration expenditures required to keep the claims in good standing.

As a result of the exploration and assessment work the Company carried out on the Arizona Properties, the management decided to reduce the claim portfolio to four claims that were part of the Lindsay Property, reducing the size of its holdings in Arizona. As a result, the Company wrote-off acquisition costs of $74,065, and deferred exploration costs of $58,952 which were associated with the dropped claims.

In addition, in connection with the Arizona Properties the Company was required to put up a $19,463 (US$15,000) one-time reclamation bond with the Arizona State Land Department.

Metla Property

As at February 29, 2024, the Company holds 1.0% NSR on the Metla Property, a mineral property the Company sold to Brixton Metals Corporation in 2020.

(Expressed in Canadian Dollars)

12. SHARE CAPITAL

Authorized share capital

- Unlimited number of Common Shares without par value.

Share issuances during the year ended February 29, 2024

On March 17, 2023, the Company closed a non-brokered private placement (the "March Offering") by issuing a total of 6,000,000 units (the "March Units") at $0.40 per March Unit for aggregate gross proceeds of $2,400,000. Each March Unit consisted of one Common Share and one half of one Common Share purchase warrant (each whole warrant, a "March Warrant"). Each March Warrant is exercisable into one Common Share at a price of $0.50 per Common Share expiring on March 17, 2025.

In connection with the March Offering, the Company paid $9,180 in cash finders' fees and $48,156 in share issuance costs for regulatory and legal services. In addition, the Company issued a total of 22,950 non-transferable finders' warrants (the "March Finders' Warrants") to acquire one Common Share at a price of $0.50 per Common Share until March 17, 2025. The March Finders' Warrants were valued at $3,750 using the Black-Scholes Option Pricing Model with the following assumptions:

Expected Life of the March Finders' Warrants	2 years
Risk-Free Interest Rate	3.54 %
Expected Dividend Yield	Nil
Expected Stock Price Volatility	84.61%
Grant Date Fair Value	$0.40

On March 23, 2023, the Company issued 112,500 Common Shares pursuant to the Que Option Agreement. The Common Shares were valued at $66,375 (Note 11).

On June 5, 2023, pursuant to the Ruby Creek Option Agreement, the Company issued 1,750,000 Common Shares with a fair value of $533,750 to Global Drilling (Notes 11 and 14).

Share issuances during the year ended February 28, 2023

On March 25, 2022, pursuant to the Que Option Agreement, the Company issued 75,000 Common Shares with a fair value of $62,250 to vendors (Note 11).

On August 4, 2022, the Company completed the first tranche of its non-brokered private placement financing issuing 2,142,500 Flow-Through Units ("FT Units") at $0.45 per FT Unit and 155,000 non-flow-through units ("NFT Units") at a price of $0.40 per NFT Unit (the "August Offering"). On August 19, 2022, the Company completed the second tranche of the August Offering issuing an additional 1,185,135 FT Units and 1,037,500 NFT Units for gross proceeds to the Company of $1,974,436. Each FT Unit was comprised of one flow-through Common Share and one half of one share purchase warrant (each whole warrant, a "Warrant"). Each NFT Unit was comprised of one non-flow-through Common Share and one half of a Warrant. Each full Warrant entitles its holder to acquire one non-flow-through Common Share at $0.60 expiring 24 months after the issuance. The premium received on FT Units issued was determined to be $166,382 and was recorded as share capital reduction. An equivalent premium liability was recorded and is being reduced as and when the qualified exploration expenditures occur.

In connection with the August Offering the Company paid $61,805 in cash finders' fees and $56,621 in legal and regulatory fees. In addition, the Company issued 43,243 non-transferable finders' warrants to purchase one Common Share of the Company at a price of $0.50 per Common Share expiring on August 19, 2024 (the "Finders' Warrants"). The Finders' Warrants were valued at $6,777 using the following assumptions:

	August 19, 2022
Expected Life of the Finders' Warrants	2 years
Risk-Free Interest Rate	3.42%
Expected Dividend Yield	Nil
Expected Share Price Volatility	81.47%

(Expressed in Canadian Dollars)

On December 30, 2022, pursuant to the Ruby Creek Option Agreement, the Company issued 1,750,000 Common Shares with a fair value of $612,500 to Global Drilling (Notes 11 and 14).

On December 20, 2022, the Company completed the first tranche of its non-brokered private placement financing (the "December Offering") issuing 3,938,183 units at $0.23 per unit (the "December Units"), and on January 13, 2023, the Company completed the second tranche of the December Offering issuing 2,061,817 December Units at $0.23 per December Unit, for total aggregate gross proceeds of $1,380,000. Each December Unit consisted of one Common Share and one half of one Common Share purchase warrant (each whole warrant, a "December Warrant"). Each whole December Warrant is exercisable into one Common Share at a price of $0.35 per Common Share. Of the total December Warrants issued, 1,969,091 December Warrants, which were issued as part of the first tranche, expire on December 20, 2024, and 1,030,908 December Warrants, issued as part of the second tranche, expire on January 13, 2025.

A director and an officer of the Company purchased or acquired direction and control over a total of 312,000 December Units under the December Offering.

In connection with the December Offering the Company paid $16,586 in cash finders' fees and $49,049 in legal and regulatory fees. In addition, the Company issued 72,112 non-transferable finders' warrants (the "December Finders' Warrants"). Each December Finders' Warrant entitles the holder thereof to acquire one Common Share at a price of $0.35 per Common Share, of which 32,000 December Finders' Warrants expire on December 20, 2024, and 40,112 December Finders' Warrants expire on January 13, 2025. The December Finders' Warrants were valued at $6,005 using the following assumptions

	December 20, 2022	**January 13, 2023**
Expected Life of the Finders' Warrants	2 years	2 years
Risk-Free Interest Rate	3.71%	3.67%
Expected Dividend Yield	Nil	Nil
Expected Share Price Volatility	84.90%	86.31%

During the year ended February 28, 2023, the Company issued 175,000 Common Shares on exercise of stock options previously granted pursuant to the Company's Rolling Stock Option Plan (the "Plan") for gross proceeds of $76,750. The Company reallocated the fair value assessed upon the grant of $42,270 from reserves to share capital.

Share purchase options

The Company has adopted a Rolling Stock Option Plan (the "Plan") pursuant to which options may be granted to directors, officers, employees, and consultants of the Company. Under the terms of the Plan, the Company can issue a maximum of 10% of the issued and outstanding Common Shares at the time of the grant. Options granted under the Plan, including vesting and the term, are determined by, and at the discretion of, the Board of Directors.

Options granted during the year ended February 29, 2024

On January 23, 2024, the Company granted options to acquire up to 970,000 Common Shares at $0.21 per Common Share to its officers, directors, and consultants. These options vest quarterly over a 12-month period from the date of grant in equal amounts starting on April 23, 2024, and expire on July 23, 2026. The Company estimated the fair value of the options to be $116,416, of which $24,623 was recorded as share-based compensation during the year ended February 29, 2024. The Company used the Black-Scholes Option Pricing Model with the following assumptions:

Expected Life of the Option	2.5 years
Risk-Free Interest Rate	3.83 %
Expected Dividend Yield	Nil
Expected Share Price Volatility	87.56%
Grant Date Fair Value	$0.22

On March 6, 2023, the Company granted an option to acquire up to 100,000 Common Shares at $0.50 per Common Share to a consultant. The option vests quarterly over a 12-month period from the date of grant in equal amounts starting on June 6, 2023, and expires on March 6, 2026. The Company estimated the fair value of the option to be $38,345, of which $38,187 was recorded as share-based compensation during the year ended February 29, 2024. The Company used the Black-Scholes Option Pricing Model with the following assumptions:

(Expressed in Canadian Dollars)

Expected Life of the Option	3 years
Risk-Free Interest Rate	4.00 %
Expected Dividend Yield	Nil
Expected Stock Price Volatility	92.53%
Grant Date Fair Value	$0.60

Options granted during the year ended February 28, 2023

On April 20, 2022, the Company granted an option to acquire up to 100,000 Common Shares at $0.81 per Common Share to a consultant. The option vested immediately upon grant and expires on April 20, 2024. The Company recognized the fair value of the option of $36,207, which was recorded as consulting fees during the year ended February 28, 2023. The Company used the Black-Scholes Option Pricing Model with the following assumptions:

Expected Life of the Option	2 years
Risk-Free Interest Rate	2.64 %
Expected Dividend Yield	Nil
Expected Share Price Volatility	84.70%
Grant Date Fair Value	$0.79

On January 26, 2023, the Company granted options to acquire up to 1,200,000 Common Shares at $0.48 per Common Share to its officers, directors, and consultants. These options vested quarterly over a 12-month period from the date of grant in equal amounts starting on April 26, 2023, and expire on January 26, 2026. The Company estimated the fair value of the options to be $355,405, of which $261,466 was recorded as share-based expense during the year ended February 29, 2024 (2023 - $61,360), and $26,387 was recorded as part of advertising and promotion expenses for the same period (2023 - $6,192). The Company used the Black-Scholes Option Pricing Model with the following assumptions:

Expected Life of the Options	3 years
Risk-Free Interest Rate	3.35%
Expected Dividend Yield	Nil
Expected Share Price Volatility	96.59%
Grant Date Fair Value	$0.48

The total share-based compensation related to the vesting of the options the Company granted during the years ended February 29, 2024, and February 28, 2023, was determined to be $350,665 (February 28, 2023 - $132,967). Of the total share-based compensation, $26,386 (February 28, 2023 - a recovery of $3,793) was recorded as advertising and promotion expenses, and $38,188 (February 28, 2023 - $36,207) was recorded as consulting expenses.

A continuity of options are as follows:

	Year ended February 29, 2024		**Year ended February 28, 2023**	
	Number of Options	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
Options outstanding, beginning	3,470,000	$0.45	2,345,000	$0.40
Granted	1,070,000	$0.24	1,300,000	$0.51
Exercised	-	n/a	(175,000)	$0.44
Expired	(1,330,000)	$0.55	-	n/a
Options outstanding, ending	**3,210,000**	**$0.34**	**3,470,000**	**$0.45**
Options exercisable, ending	**2,215,000**	**$0.40**	**2,270,000**	**$0.44**

(Expressed in Canadian Dollars)

The options outstanding and exercisable at February 29, 2024, are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Weighted Average Remaining Life	Expiry Date
495,000	495,000	$ 0.20	0.44	August 6, 2024
345,000	345,000	$ 0.25	1.00	February 28, 2025
100,000[(1)]	100,000	$ 0.81	0.14	April 20, 2024
1,200,000	1,200,000	$ 0.48	1.91	January 26, 2026
100,000	75,000	$ 0.50	2.02	March 6, 2026
970,000	-	$ 0.21	2.40	July 23, 2026
3,210,000	**2,215,000**	**$ 0.34**	**1.68**	

(1) These options expired unexercised subsequent to February 29, 2024

Stock purchase warrants

A continuity of warrants are as follows:

	Year ended February 29, 2024		Year ended February 28, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, beginning	5,375,420	$0.46	-	n/a
Issued	3,022,950	$0.50	5,375,420	$0.46
Warrants outstanding, ending	**8,398,370**	**$0.47**	**5,375,420**	**$0.46**

The warrants outstanding and exercisable at February 29, 2024, are as follows:

Number of Warrants Outstanding	Exercise Price	Weighted Average Remaining Life	Expiry Date
1,148,750	$ 0.60	0.43	August 4, 2024
1,111,316	$ 0.60	0.47	August 19, 2024
43,243[(1)]	$ 0.50	0.47	August 19, 2024
1,969,091	$ 0.35	0.81	December 20, 2024
32,000[(1)]	$ 0.35	0.81	December 20, 2024
1,030,908	$ 0.35	0.87	January 13, 2025
40,112[(1)]	$ 0.35	0.87	January 13, 2025
3,000,000	$ 0.50	1.05	March 17, 2025
22,950[(1)]	$ 0.50	1.05	March 17, 2025
8,398,370	**$ 0.47**	**0.80**	

(1) Finders' warrants

13. FLOW-THROUGH SHARE PREMIUM LIABILITY

	February 29, 2024	February 28, 2023
Balance, beginning	$ 11,044	$ -
Share premium liability on flow-through shares	-	166,382
Recovery of flow-through share premium liabilities	(11,044)	(155,338)
Balance, ending	**$ -**	**$ 11,044**

On August 4, 2022, the Company issued 2,142,500 flow-through units (the "FT Unit") at a price of $0.45 per FT Unit, and on August 19, 2022, the Company issued further 1,185,135 FT Units at a price of $0.45 per FT Unit. The premium received on the FT Units issued was determined to be $166,382 and was recorded as a share capital reduction. An equivalent premium liability was recorded and was being reduced as and when the qualified exploration expenditures occurred. During the year ended February 29, 2024, the Company recorded $11,044 in income that resulted from the flow-through share premium (February 28, 2023 - $155,338).

(Expressed in Canadian Dollars)

14. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole.

The Company incurred the following transactions with related parties, including key management personnel:

	February 29, 2024	February 28, 2023
Consulting fees paid or accrued to the Company's CEO	$ 27,333	$ 24,000
Accounting and consulting fees, paid or accrued to the Company's CFO	20,300	19,494
Consulting fees, investor relations and deferred exploration costs paid to the Company's Corporate Secretary	37,502	42,367
Project management fees and deferred exploration costs paid or accrued to an entity controlled by the common-law spouse of the Company's co-founder and major shareholder	14,253	172,529
Deferred exploration costs, general business consulting, and investor relations fees paid or accrued to an entity controlled by the VP of Exploration	119,327	136,999
Consulting, investor relations fees, and deferred exploration costs paid to a director	12,170	-
Consulting fees paid to an entity controlled by a director	3,345	-
Share-based compensation for options granted to directors and officers	227,364	69,606
Total related party transactions	**$ 461,594**	**$ 464,995**

In addition to the above transactions, on June 5, 2023, the Company issued 1,750,000 Common Shares to Global Drilling, and paid $640,000 cash, as required under the Ruby Creek Option Agreement (December 2022 - 1,750,000 Common Shares, and a cash payment of $300,000). The Common Shares were valued at $533,750 (December 2022 - $612,500) (Notes 11 and 12).

Amounts due to related parties consist of amounts owed directly to the officers and directors of the Company, or to the companies controlled by them, for the professional services or for the expenses incurred on behalf of the Company. These amounts are unsecured, non-interest bearing, and due on demand. At February 29, 2024, the Company owed a total of $34,159 (2023 - $52,955) to its related parties.

15. INCOME TAXES

A reconciliation of income taxes at the statutory rates are as follows:

	February 29, 2024	February 28, 2023
Net loss before tax	$ (1,205,419)	$ (493,791)
Statutory income tax rate	27%	27%
Expected income tax recovery	(325,000)	(133,000)
Non-deductible expenditures	119,000	217,000
Impact of flow through shares	27,000	377,000
Share issuance costs	(16,000)	(50,000)
Change in unrecognized deductible temporary differences	30,000	(68,000)
Deferred income tax expense (recovery)	$ (165,000)	$ 343,000

(Expressed in Canadian Dollars)

The significant components of deferred tax assets that have not been included in the statements of financial position are as follows:

	February 29, 2024	February 28, 2023
Deferred tax assets:		
Non-capital losses available for future period	716,000	527,000
Share issuance costs	54,000	64,000
Exploration and evaluation assets - Canada	(1,024,000)	(990,000)
Exploration and evaluation assets - USA	45,000	-
Equipment	44,000	36,000
Marketable securities	32,000	20,000
	(133,000)	(343,000)
Unrecognized deferred tax assets	(45,000)	-
Net deferred tax liabilities	$ (178,000)	$ (343,000)

The Company has approximately $2,654,000 of non-capital losses which expire by 2044. Tax attributes are subject to review, and potential adjustment by tax authorities.