# Nevada King Gold Corp.

**CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

# INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Nevada King Gold Corp.

***Opinion***

We have audited the accompanying consolidated financial statements of Nevada King Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2023, 2022, and April 1, 2021 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years ended March 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, 2022 and April 1, 2021, and its financial performance and its cash flows for the years ended March 31, 2023 and 2022 in accordance with International Financial Reporting Standards ("IFRS").

***Basis for Opinion***

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

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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.

***Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")***

As described in Note 4 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $27,600,495 as of March 31, 2023. As more fully described in Note 2 to the financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal consideration for our determination that the assessment of impairment indicators of E&E Assets is a key audit matter is that there was judgment by management when assessing whether there were indicators of impairment, specifically related to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Evaluating management’s assessment of impairment indicators in accordance with the applicable accounting standards;
- Evaluating the intent for E&E Assets through discussion and communication with management;
- Reviewing the Company’s recent expenditure activity;
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances;
- Assessing the Company’s right to explore E&E Assets;
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

***Other Information***

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management’s Discussion and Analysis.

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

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

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 Consolidated Financial Statements***

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

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

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

***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 year 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 Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

June 22, 2023

## Nevada King Gold Corp.
**Consolidated Statements of Financial Position**
*(Expressed in Canadian Dollars)*

| | Note | March 31, 2023 | March 31, 2022 (restated - Note 2(m)) | April 1, 2021 (restated - Note 2(m)) |
|---|---|---|---|---|
| | | $ | $ | $ |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash | | 7,931,428 | 13,153,096 | 987,697 |
| Restricted cash | | - | - | 18,043,796 |
| Receivables | | 44,657 | 16,232 | 70,362 |
| Advances to suppliers | | 110,971 | 750,867 | - |
| Prepaid expenses | | 72,554 | 49,623 | 53,550 |
| **Total current assets** | | 8,159,610 | 13,969,818 | 19,155,405 |
| **Non-current assets** | | | | |
| Exploration and evaluation assets | 4 | 27,600,495 | 55,013,275 | 1,091,728 |
| Reclamation bonds | 4 | 983,852 | 908,462 | 412,675 |
| Property, plant and equipment | 5 | 919,963 | 763,330 | - |
| Other assets | | - | - | 886,665 |
| | | 29,504,310 | 56,685,067 | 2,391,068 |
| **TOTAL ASSETS** | | 37,663,920 | 70,654,885 | 21,546,473 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | |
| **Current liabilities** | | | | |
| Accounts payable and accrued liabilities | 7 | 1,275,010 | 255,567 | 156,432 |
| **Total Liabilities** | | 1,275,010 | 255,567 | 156,432 |
| **SHAREHOLDERS' EQUITY** | | | | |
| Share capital | 6 | 130,524,636 | 114,849,977 | 40,904,144 |
| Reserves | 6 | 5,914,944 | 2,010,407 | 2,010,407 |
| Subscription receipts | | - | - | 18,043,796 |
| Deficit | | (100,050,670) | (46,461,066) | (39,568,306) |
| **Total Shareholders' Equity** | | 36,388,910 | 70,399,318 | 21,390,041 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | 37,663,920 | 70,654,885 | 21,546,473 |

**NATURE OF OPERATIONS (Note 1)**
**SUBSEQUENT EVENTS (Note 12)**

These consolidated financial statements are authorized for issue by the Board of Directors on June 22, 2023. They are signed on the Company's behalf by:

*"Craig Roberts"* , Director

"*William Hayden*" , Director

**Nevada King Gold Corp.**
**Consolidated Statements of Loss and Comprehensive Loss**
*(Expressed in Canadian Dollars)*

| | Note | Years Ended March 31, 2023 | 2022 (Restated - Note 2(m)) |
|---|---|---|---|
| | | $ | $ |
| **EXPENSES** | | | |
| Consulting fees | | 108,637 | 394,022 |
| Depreciation expense | 5 | 37,139 | 21,512 |
| Exploration and evaluation costs | 4 | 16,025,598 | 4,237,741 |
| Management and director fees | 7 | 1,952,614 | 971,468 |
| Marketing | | 526,653 | 768,555 |
| Office and sundry | | 369,406 | 278,756 |
| Professional fees | | 311,492 | 224,994 |
| Stock based compensation | 6,7 | 3,904,537 | - |
| Transfer agent and regulatory fees | | 83,408 | 80,124 |
| Travel | | 75,290 | 47,879 |
| | | (23,394,774) | (7,025,051) |
| **Other items** | | | |
| Impairment of property acquisition costs | 4 | (30,728,077) | - |
| Foreign exchange gain | | 110,178 | 117,935 |
| Interest income | | 423,069 | 14,356 |
| | | (30,194,830) | 132,291 |
| **Loss and comprehensive loss** | | (53,589,604) | (6,892,760) |
| **Basic and diluted loss per common share** | | (0.19) | (0.03) |
| **Weighted average number of common shares outstanding - basic and diluted** | | 275,218,812 | 237,292,386 |

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

## Nevada King Gold Corp.
### Consolidated Statements of Cash Flows
*(Expressed in Canadian Dollars)*

| | Years Ended March 31, | |
|---|---|---|
| | 2023 | 2022 (Restated - Note 2 (m)) |
| | $ | $ |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Loss for the year | (53,589,604) | (6,892,760) |
| Items not affecting cash: | | |
| Impairment of property acquisition costs | 30,728,077 | - |
| Depreciation | 37,139 | 21,512 |
| Depreciation included in exploration and evaluation costs | 187,275 | 28,262 |
| Stock based compensation | 3,904,537 | - |
| Unrealized foreign exchange gain | (76,377) | (120) |
| Changes in non-cash working capital items: | | |
| Receivables | (28,425) | 63,556 |
| Prepaid expenses | (22,931) | 10,288 |
| Advances to suppliers | 639,896 | 43,354 |
| Accounts payable and accrued liabilities | 1,019,443 | (101,759) |
| Cash used in operating activities | (17,200,970) | (6,827,667) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Cash provided by acquisition of Nevada King Mining Ltd. | - | 424,262 |
| Release of restricted cash | - | 18,043,796 |
| Expenditures for exploration and evaluation assets | (3,315,297) | (2,427,166) |
| Purchase of property, plant and equipment | (400,363) | (163,255) |
| Proceeds from disposal of equipment | 20,303 | - |
| Purchase of reclamation bonds | - | (87,472) |
| Cash provided by (used in) investing activities | (3,695,357) | 15,790,165 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from private placements | 15,750,000 | 3,600,000 |
| Share issuance costs | (75,341) | (397,099) |
| Cash provided by financing activities | 15,674,659 | 3,202,901 |
| **Change in cash during the year** | (5,221,668) | 12,165,399 |
| **Cash, beginning of year** | 13,153,096 | 987,697 |
| **Cash, end of year** | 7,931,428 | 13,153,096 |
| **Supplemental Cash Flow Information:** | | |
| Common shares issued for acquisition of Nevada King Mining Ltd. | - | 50,558,343 |
| Common shares issued for mineral rights | - | 2,470,000 |
| Prepaid transaction costs allocated to cost of acquisition of Nevada King Mining Ltd. | - | 539,786 |
| Prepaid finders' fees deducted from share capital | - | 329,207 |

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

**Nevada King Gold Corp.**
**Consolidated Statements of Changes in Shareholders' Equity**
*(Expressed in Canadian Dollars)*

| | | Share Capital | | | Reserves | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | Number of shares outstanding | Amount | Share subscriptions | Equity settled share-based payments | Contributed surplus | Total reserves | Deficit (Restated - Note 2(m)) | Total shareholders' equity |
| | | | $ | $ | $ | $ | $ | $ | $ |
| Balance at March 31, 2021 | | 99,134,068 | 40,904,144 | 18,043,796 | 1,998,528 | 11,879 | 2,010,407 | (39,568,306) | 21,390,041 |
| Issuance of common shares for acquisition of Nevada King Mining Ltd. | 3,6 | 99,134,006 | 50,558,343 | - | - | - | - | - | 50,558,343 |
| Issuance of common shares on conversion of subscription receipts | 3,6 | 32,806,902 | 18,043,796 | (18,043,796) | - | - | - | - | - |
| Issuance of common shares pursuant to private placement | 6 | 6,000,000 | 3,600,000 | - | - | - | - | - | 3,600,000 |
| Issuance of common shares pursuant to reaquisition of mineral rights | 6 | 6,500,000 | 2,470,000 | - | - | - | - | - | 2,470,000 |
| Share issuance costs | | - | (726,306) | - | - | - | - | - | (726,306) |
| Loss for the year | | - | - | - | - | - | - | (6,892,760) | (6,892,760) |
| **Balance at March 31, 2022** | | **243,574,976** | **114,849,977** | **-** | **1,998,528** | **11,879** | **2,010,407** | **(46,461,066)** | **70,399,318** |
| Issuance of common shares pursuant to private placements | 6 | 35,000,000 | 15,750,000 | - | - | - | - | - | 15,750,000 |
| Share issuance costs | 6 | - | (75,341) | - | - | - | - | - | (75,341) |
| Issuance of stock options | 6 | - | - | - | 3,904,537 | - | 3,904,537 | - | 3,904,537 |
| Loss for the year | | - | - | - | - | - | - | (53,589,604) | (53,589,604) |
| **Balance at March 31, 2023** | | **278,574,976** | **130,524,636** | **-** | **5,903,065** | **11,879** | **5,914,944** | **(100,050,670)** | **36,388,910** |

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

## 1. NATURE OF OPERATIONS

Nevada King Gold Corp. (formerly Victory Metals Inc.) (the "Company") was originally incorporated on October 20, 2000, under the Business Corporations Act in the Province of Alberta and, on May 25, 2012, the Company was continued as a British Columbia corporation under the Business Corporations Act in the Province of British Columbia. The address of the Company's registered office is Suite 2200 – 885 West Georgia Street, Vancouver, BC, Canada V6C 3E8.

On April 7, 2021, the Company acquired all of the issued and outstanding shares of Nevada King Mining Ltd. ("Nevada King Mining") and changed its name to Nevada King Gold Corp. (Note 3).

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. The Company's exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

At March 31, 2023, the Company had cash totalling $7,931,428. Subsequent to March 31, 2023, the Company raised additional financing of $16,250,000 through the issuance of common shares in two private placements (Note 12). The Company believes that it has adequate cashflow to meet obligations and carry out planned activities for the next twelve months.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the pandemic and the war in the Ukraine to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Statement of compliance**

The Company's consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), effective for the Company's reporting for the year ended March 31, 2023.

**a) Basis of presentation**

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as follows:

| | Place of Incorporation | Principal Activity |
|---|---|---|
| Big Casino Corp. | Delaware, USA | Exploration company |
| Desert Hawk Resources Ltd. | Delaware, USA | Exploration company |
| Battle Mountain Gold LLC | Nevada, USA | Exploration company |
| 2656065 Ontario Ltd. | Ontario, Canada | Holding company |
| 1226065 B.C. Ltd. | British Columbia, Canada | Holding company |
| Brownstone Ventures (US) Inc. | Delaware, USA | Exploration company |
| Nevada King Mining Ltd. | British Columbia, Canada | Holding company |

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the financial statements. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

### c) Foreign currencies

The presentation and functional currency of the Company and its subsidiaries is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. As the Canadian dollar is the presentation and functional currency of all entities, net foreign exchange gains or losses are recorded in the consolidated statement of loss and comprehensive loss in the period they are incurred.

### d) Financial instruments

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

| | **Classification** |
|---|---|
| **Financial Assets** | |
| Cash | Amortized cost |
| Restricted cash | Amortized cost |
| Receivables | Amortized cost |
| **Financial Liabilities** | |
| Accounts payable and accrued liabilities | Amortized cost |

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provision of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### d) Financial instruments (continued)

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVOCI are measured at fair value with changes in those fair values recognized in other comprehensive loss for the period. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method. An expected credit loss (“ECL”) impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. However, when there has been a significant increase in credit risk on these other financial instruments since initial recognition, lifetime ECLs are recognized. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### e) Exploration and evaluation expenditures

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred. Once the legal right to explore has been acquired, the Company capitalizes the costs of acquiring and maintaining its interest in mineral properties until such time as the lease expires, it is abandoned, sold or considered impaired in value. Other exploration and evaluation expenditures are expensed as incurred. Exploration and evaluation properties are not amortized during the exploration and evaluation stage.

### f) Decommissioning liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment when those obligations result from the acquisition, construction, development or normal operation of assets. The net present value of future rehabilitation costs is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred.

Pre-tax discount rates that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets. The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### f) Decommissioning liabilities (continued)

and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets and the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. There are no decommissioning liabilities for the periods presented.

### g) Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation calculated using the straight-line method over the estimated useful life. Depreciation of an asset begins once it is available for use.

The building is being depreciated over 25 years and all other capital assets are being depreciated over 2 years.

### h) Impairment

At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any 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.

Fair value is determined as the amount that would be obtained by the sale of the asset in any arm's length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated cash flows expected to arise from the continued use of the asset, including any expansion projects. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal. Impairment is assessed at the level of cash-generating units or "CGUs", which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

### i) Share-based payment transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the 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 are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve and added to contributed surplus.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### j) Earnings and loss per share

The Company presents basic and diluted earnings and loss per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share does not adjust the earnings or loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

### k) Income taxes

Income tax on the profit or loss for the years 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 year end, adjusted for amendments to tax payable with regards to previous years.
Deferred tax is provided using the statement of financial position 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. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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 year end applicable to the period of expected realization or settlement.

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.

### l) Significant accounting estimates and judgments

The preparation of these consolidated financial statements 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 reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### l) Significant accounting estimates and judgments (continued)

**Critical accounting estimates**

- The net carrying value of each exploration and evaluation asset is reviewed regularly for conditions that suggest impairment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is made, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

- The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. Management provides for such differences where known based on the best estimate of the probable outcome of these matters.

**Critical accounting judgments**

- Presentation of the consolidated financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiaries, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

- Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. At March 31, 2023, management made the decision to concentrate its exploration and evaluation efforts on three of its projects: Iron Point, Atlanta and Lewis-Hilltop and, as a result, recorded an impairment of $30,728,077 on the remaining projects in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2023 (Note 4).

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### m) Change in accounting policy

Effective April 1, 2022, the Company changed its accounting policy for exploration and evaluation expenditures from the policy previously adopted for its consolidated financial statements for the year ended March 31, 2022. The Company previously capitalized the costs of deferred exploration and evaluation expenditures directly related to specific exploration and evaluation assets. Under the new policy, exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to the statement of loss and comprehensive loss as incurred. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of production method based upon estimated proven and probable reserves. The Company believes that expensing such costs as incurred provides more reliable financial information and aligns the analysis to when the mineral property is considered economically and commercially viable. Mineral property acquisition costs and claim maintenance costs will continue to be capitalized and include consideration and transaction costs for mineral property interests. These costs are amortized over the estimated life of the property following commencement of commercial production. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The Company has accounted for this change in accounting policy on a retrospective basis. The change in accounting policy resulted in the following changes to the Company's consolidated financial statements:

Consolidated Statement of Financial Position as at April 1, 2021

| | As previously reported $ | Effect of change in accounting policy (1) $ | As restated under new policy $ |
|---|---|---|---|
| Exploration and evaluation assets | 8,106,681 | (7,014,953) | 1,091,728 |
| TOTAL ASSETS | 28,561,426 | (7,014,953) | 21,546,473 |
| Deficit | (32,553,353) | (7,014,953) | (39,568,306) |
| Total Shareholders' Equity | 28,404,994 | (7,014,953) | 21,390,041 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 28,561,426 | (7,014,953) | 21,546,473 |

(1) All exploration and evaluation expenditures have been expensed to deficit rather than capitalized on the statement of financial position.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### m) Change in accounting policy (continued)

Consolidated Statement of Financial Position as at March 31, 2022

| | As previously reported $ | Effect of change in accounting policy (1) $ | As restated under new policy $ |
|---|---|---|---|
| Exploration and evaluation assets | 59,105,879 | (4,092,604) | 55,013,275 |
| TOTAL ASSETS | 74,747,489 | (4,092,604) | 70,654,885 |
| Deficit | (42,368,462) | (4,092,604) | (46,461,066) |
| Total Shareholders' Equity | 74,491,922 | (4,092,604) | 70,399,318 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 74,747,489 | (4,092,604) | 70,654,885 |

(2) All exploration and evaluation expenditures have been expensed to deficit rather than capitalized on the statement of financial position. $55,013,275 relates to the net book value of acquisition costs at March 31, 2022. Advances to suppliers are now recorded as current assets.

Consolidated Statement of Loss and Comprehensive Loss for the year ended March 31, 2022

| | As previously reported $ | Effect of change in accounting policy (1) $ | As restated under new policy $ |
|---|---|---|---|
| EXPENSES | | | |
| Exploration and evaluation costs | - | (4,237,741) | (4,237,741) |
| Other items | | | |
| Impairment of exploration and evaluation assets | (7,160,090) | 7,160,090 | - |
| Loss and comprehensive loss | (9,815,109) | 2,922,349 | (6,892,760) |
| Basic and diluted loss per common share | (0.04) | 0.01 | (0.03) |

(1) The impairment of exploration and evaluation assets, previously recorded in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2022, has been reversed as the costs being impaired are now expensed as exploration and evaluation costs in the consolidated statements of loss and comprehensive loss for the years ended March 31, 2021, and 2022. $4,237,741 in exploration and evaluation costs incurred during the year ended March 31, 2022, which were previously capitalized in exploration and evaluation assets, have been reflected in the loss and comprehensive loss for the year ended March 31, 2022.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### m) Change in accounting policy (continued)

Consolidated Statement of Cash Flows for the year ended March 31, 2022

| | As previously reported $ | Effect of change in accounting policy (1) $ | As restated under new policy $ |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Loss for the year | (9,815,109) | 2,922,349 | (6,892,760) |
| Items not affecting cash: | | | |
| Impairment of exploration and evaluation assets | 7,160,090 | (7,160,090) | - |
| Depreciation included in exploration and evaluation costs | - | 28,262 | 28,262 |
| Changes in non-cash working capital items: | | | |
| Advances to suppliers | - | 43,354 | 43,354 |
| Accounts payable and accrued liabilities | (295,747) | 193,988 | (101,759) |
| Cash used in operating activities | (2,855,530) | (3,972,137) | (6,827,667) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Expenditures for exploration and evaluation assets | (6,397,303) | 3,970,137 | (2,427,166) |
| Advances for exploration and evaluation assets | (2,000) | 2,000 | - |
| Cash provided by investing activities | 11,818,028 | 3,972,137 | 15,790,165 |

(1) $4,237,741 in exploration and evaluation costs incurred during the year ended March 31, 2022, which were previously capitalized in exploration and evaluation assets, have been reflected in the loss and comprehensive loss for the year ended March 31, 2022. The impairment of exploration and evaluation assets of $7,160,090, previously recorded in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2022, has been reversed, as the costs being impaired are now expensed as exploration and evaluation costs in the consolidated statements of loss and comprehensive loss for the years ended March 31, 2021, and 2022. The net effect is a reduction in the loss for the year ended March 31, 2022, of $2,922,349. Expenditures for exploration and evaluation assets included in investing activities now only include property acquisition costs. Advances to suppliers are now included in operating activities.

Consolidated Statements of Changes in Shareholders' Equity for the year ended March 31, 2022

| | As previously reported $ | Effect of change in accounting policy (1) $ | As restated under new policy $ |
|---|---|---|---|
| Deficit as at March 31, 2021 | (32,553,353) | (7,014,953) | (39,568,306) |
| Loss for the year | (9,815,109) | 2,922,349 | (6,892,760) |
| Deficit as at March 31, 2022 | (42,368,462) | (4,092,604) | (46,461,066) |
| | | | |
| Total shareholders' equity as at March 31, 2021 | 28,404,994 | (7,014,953) | 21,390,041 |
| Loss for the year | (9,815,109) | 2,922,349 | (6,892,760) |
| Total shareholders' equity as at March 31, 2022 | 74,491,922 | (4,092,604) | 70,399,318 |

(1) $7,014,953 in accumulated exploration and evaluation costs, which were previously capitalized in exploration and evaluation assets, have been reflected in the opening deficit for the year ended March 31, 2022. In addition, $4,237,741 in exploration and evaluation costs incurred during the year ended March 31, 2022, which were previously capitalized in exploration and evaluation assets, have been reflected in loss and comprehensive loss for the year ended March 31, 2022. The impairment of exploration and evaluation assets of $7,160,090, previously recorded in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2022, has been reversed as the costs being impaired are now expensed as exploration and evaluation costs in the consolidated statements of loss and comprehensive loss for the years ended March 31, 2021, and 2022. The net effect is a reduction in the loss for the year ended March 31, 2022, of $2,922,349.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### n) Changes in accounting standards and interpretations

As of the date of authorization of these consolidated financial statements, certain new standards and amendments to existing standards have been published by the IASB that are not yet effective and have not been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments are either not adopted or are not expected to have a material impact on the Company's consolidated financial statements.

## 3. ACQUISITION OF NEVADA KING MINING

On April 7, 2021, the Company completed the purchase of all of the issued and outstanding common shares of Nevada King Mining in exchange for 99,134,006 common shares of the Company with a fair value of $50,558,343 (Note 6). The acquisition was accounted for as an asset acquisition under IFRS 2. The acquired assets and liabilities were recorded at their fair value.

The completion of the acquisition was subject to the completion of a minimum $8 million non-brokered private placement by the Company. Accordingly, the Company issued 32,806,902 subscription receipts at a price of $0.55 per subscription receipt for gross proceeds of $18,043,796 in the last fiscal quarter of 2021. Each subscription receipt entitled the holder to receive one post-acquisition share of the Company immediately after closing of the acquisition. The gross proceeds were held in escrow until the completion of the acquisition on April 7, 2021, at which time the subscription receipts were converted into 32,806,902 common shares of the Company and the proceeds were released from escrow (Note 6).

The Company incurred finders' fees of $662,487 and other share issuance costs of $40,255 in connection with the private placement and $560,580 in transaction costs associated with the acquisition. The transaction costs were capitalized as part of the consideration paid for the net assets of Nevada King Mining.

At March 31, 2021, other assets included finders' fees and share issuance costs of $344,364 in connection with the private placement and transaction costs of $539,786 in connection with the acquisition of Nevada King Mining.

The fair value of the net assets acquired at April 7, 2021 are as follows:

| Net assets (liabilities) of the Company acquired (assumed) | April 7, 2021 |
|---|---|
| | $ |
| Cash | 424,262 |
| GST receivable | 9,426 |
| Prepaid expenses | 6,362 |
| Exploration and evaluation assets | 49,045,175 |
| Advances for exploration and evaluation assets | 795,448 |
| Property, plant and equipment | 650,259 |
| Reclamation bonds | 404,078 |
| Accounts payable | (216,087) |
| | 51,118,923 |

The excess of the consideration paid of $41,618,840 over the net book value of the assets of Nevada King Mining acquired was allocated on a pro-rata basis across the exploration and evaluation assets acquired.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 4. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the carrying costs of exploration and evaluation assets at March 31, 2023 and 2022 as well as the exploration and evaluation costs incurred for each property.

| Year ended March 31, 2023 | Evana<br>$ | Crescent Valley<br>$ | Carico Lake<br>$ | Horse Mountain<br>$ | Kobeh Valley<br>$ | Lewis-Hilltop<br>$ | Iron Point<br>$ | Buffalo Valley<br>$ | Atlanta<br>$ | Pancake<br>$ | Other<br>$ | Total<br>$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Acquisition Costs** | | | | | | | | | | | | |
| Balance as at March 31, 2022 | 1,554,835 | 1,232,843 | 4,373,651 | 5,318,704 | 8,843,199 | 9,165,536 | 5,074,391 | 5,550,230 | 12,329,717 | - | 1,570,169 | 55,013,275 |
| Option payments | - | - | 33,075 | - | - | 40,642 | - | - | - | - | - | 73,717 |
| Land claim maintenance payments | 27,872 | 3,056 | 227,146 | 220,657 | 506,788 | 232,532 | 393,889 | 351,581 | 363,788 | 772,358 | 141,913 | 3,241,580 |
| Impairment | (1,582,707) | (1,235,899) | (4,633,872) | (5,539,361) | (9,349,987) | | | (5,901,811) | | (772,358) | (1,712,082) | (30,728,077) |
| Balance as at March 31, 2023 | - | - | - | - | - | 9,438,710 | 5,468,280 | - | 12,693,505 | - | - | 27,600,495 |
| | | | | | | | | | | | | |
| **Exploration and evaluation costs** | | | | | | | | | | | | |
| Balance as at March 31, 2022 | 2,316 | - | - | 7,559 | 905 | 784,879 | 8,607,199 | 489 | 1,849,284 | - | 63 | 11,252,694 |
| Assays and sampling | - | - | - | - | - | 224,495 | 218,877 | - | 1,363,749 | - | - | 1,807,121 |
| Depreciation (Note 5) | - | - | - | - | - | - | 79,539 | - | 107,736 | - | - | 187,275 |
| Drilling | - | - | - | - | - | 680,776 | 1,839,242 | - | 8,042,194 | - | - | 10,562,212 |
| Geophysics | - | - | - | - | - | 68,728 | 98,046 | - | 774,512 | - | - | 941,286 |
| GIS | - | - | - | 83 | 1,191 | 4,168 | 765 | 1,107 | 12,932 | 5,358 | - | 25,604 |
| Metallurgy | - | - | - | - | - | - | - | - | 65,056 | - | - | 65,056 |
| PEA/Resource estimate | - | - | - | - | - | - | - | - | 18,794 | - | - | 18,794 |
| Permitting | - | - | - | - | - | - | - | - | 7,276 | - | - | 7,276 |
| Other | - | - | - | - | - | - | - | - | 24,555 | - | - | 24,555 |
| Reclamation | - | - | - | - | - | 3,363 | 33,980 | - | 81,754 | - | - | 119,097 |
| Repairs and maintenance | - | - | - | - | - | - | - | - | 60,585 | - | - | 60,585 |
| Right of Ways | - | - | - | - | - | - | - | - | 18,661 | - | - | 18,661 |
| Salaries and consulting | 47 | 6 | 387 | 737 | 5,286 | 296,901 | 343,807 | 2,836 | 1,208,320 | 17,178 | 242 | 1,875,747 |
| Staking | - | - | - | 8,369 | 52,493 | - | 16,294 | 55,405 | 70,089 | 109,679 | - | 312,329 |
| | 47 | 6 | 387 | 9,189 | 58,970 | 1,278,431 | 2,630,550 | 59,348 | 11,856,213 | 132,215 | 242 | 16,025,598 |
| Balance as at March 31, 2023 | 2,363 | 6 | 387 | 16,748 | 59,875 | 2,063,310 | 11,237,749 | 59,837 | 13,705,497 | 132,215 | 305 | 27,278,292 |

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 4. EXPLORATION AND EVALUATION ASSETS (continued)

| Year ended March 31, 2022 | Evana<br>$ | Crescent Valley<br>$ | Carico Lake<br>$ | Horse Mountain<br>$ | Kobeh Valley<br>$ | Lewis-Hilltop<br>$ | Iron Point<br>$ | Buffalo Valley<br>$ | Atlanta<br>$ | Other<br>$ | Total<br>$ |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Acquisition Costs** | | | | | | | | | | | |
| Balance as at March 31, 2021 | - | - | - | - | - | - | 1,091,728 | - | - | - | 1,091,728 |
| Acquisition of Nevada King Mining (Note 3) | 1,528,397 | 1,229,733 | 4,132,942 | 5,114,181 | 8,425,077 | 8,727,719 | 968,780 | 5,285,465 | 12,197,347 | 1,435,534 | 49,045,175 |
| Reaquisition of mineral rights | - | - | - | - | - | - | 2,470,000 | - | - | - | 2,470,000 |
| Mineral claim and option payments | 26,438 | 3,110 | 240,709 | 204,524 | 418,121 | 437,817 | 543,883 | 264,765 | 132,370 | 134,635 | 2,406,372 |
| Balance as at March 31, 2022 | 1,554,835 | 1,232,843 | 4,373,651 | 5,318,705 | 8,843,198 | 9,165,536 | 5,074,391 | 5,550,230 | 12,329,717 | 1,570,169 | 55,013,275 |
| **Exploration and evaluation costs** | | | | | | | | | | | |
| Balance as at March 31, 2021 | - | - | - | - | - | - | 7,014,953 | - | - | - | 7,014,953 |
| Assays and sampling | - | - | - | 2,652 | - | 197,645 | 164,912 | - | 285,879 | - | 651,088 |
| Cost recovery | - | - | - | - | - | - | (7,522) | - | - | - | (7,522) |
| Depreciation (Note 5) | - | - | - | - | - | - | 28,262 | - | - | - | 28,262 |
| Drilling | - | - | - | - | - | 284,818 | 995,006 | - | 1,042,265 | - | 2,322,089 |
| Environmental | - | - | - | - | - | - | 3,940 | - | - | - | 3,940 |
| Geophysics | - | - | - | - | - | - | - | - | 64,317 | - | 64,317 |
| GIS | 1,410 | - | - | 1,128 | - | 8,054 | 1,097 | - | 13,162 | 63 | 24,914 |
| Metallurgy | - | - | - | - | - | - | 35,385 | - | 54,725 | - | 90,110 |
| Other | - | - | - | - | - | - | - | - | 34,659 | - | 34,659 |
| PEA/Resource estimate | - | - | - | - | - | - | 25,955 | - | 107,061 | - | 133,016 |
| Reclamation | - | - | - | - | - | 873 | 14,934 | - | 10,767 | - | 26,574 |
| Repairs and maintenance | - | - | - | - | - | - | - | - | 31,268 | - | 31,268 |
| Salaries and consulting | 906 | - | - | 3,779 | 905 | 293,489 | 259,096 | 489 | 205,181 | - | 763,845 |
| Staking | - | - | - | - | - | - | 71,181 | - | - | - | 71,181 |
| | 2,316 | - | - | 7,559 | 905 | 784,879 | 1,592,246 | 489 | 1,849,284 | 63 | 4,237,741 |
| Balance as at March 31, 2022 | 2,316 | - | - | 7,559 | 905 | 784,879 | 8,607,199 | 489 | 1,849,284 | 63 | 11,252,694 |

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 4. EXPLORATION AND EVALUATION ASSETS (continued)

**Lewis-Hilltop Project**

On April 7, 2021, through the acquisition of Nevada King Mining (Note 3), the Company became party to an option agreement to purchase a 100% interest in additional claims in the Lewis mining project area with the following required payments:

| Payment due date | Amount US$ |
|---|---|
| Five days from March 28, 2018 (paid prior to acquisition) | 20,000 |
| March 28, 2019 (paid prior to acquisition) | 25,000 |
| March 28, 2020 (paid prior to acquisition) | 25,000 |
| March 28, 2021 (paid) | 25,000 |
| March 28, 2022 (paid) | 30,000 |
| March 28, 2023 (paid) | 30,000 |
| March 28, 2024 | 30,000 |
| March 28, 2026 | 250,000 |

The claims are subject to a 1% net smelter return royalty ("NSR").

**Atlanta Project**

On April 7, 2021, through the acquisition of Nevada King Mining (Note 3), the Company acquired a 100% in the Atlanta Gold Mine and lode claims located in Lincoln County, Nevada (USA).

**Carico Lake**

On August 3, 2021, the Company entered into an option agreement with two third parties to earn a 100% interest in additional claims in the Carico Lake project area for a total cost of US $650,000 with payments required as follows:

| Payment due date | Amount US$ |
|---|---|
| Five days from August 3, 2021 (paid) | 20,000 |
| August 3, 2022 (paid ) | 25,000 |
| August 3, 2023 | 25,000 |
| August 3, 2024 | 25,000 |
| August 3, 2025 | 30,000 |
| August 3, 2026 | 30,000 |
| August 3, 2027 | 30,000 |
| August 3, 2028 | 40,000 |
| August 3, 2029 | 425,000 |

The claims are subject to a 2% NSR with an option to reduce the NSR to 1% upon the payment of US$500,000.

**Iron Point Project**

As at March 31, 2023, the Company owns unpatented lode claims located in the Iron Point mining district, in Humboldt County, Nevada (USA).

On October 10, 2018, the Company entered into an option agreement with a third party to earn a 100% interest in an unpatented Claim (Silver Coin) for payments totaling US$300,000.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 4. EXPLORATION AND EVALUATION ASSETS (continued)

**Iron Point Project** (continued)

On October 24, 2018, the Company entered into an option agreement with Canarc Resources Corp. to earn a 100% interest in additional patented Claims (Silver King). The Company agreed to grant a 2% NSR upon commencement of commercial production for minerals from these claims. Required payments under the agreement are as follows:

| Payment due date | Amount US$ |
|---|---|
| Five days from October 24, 2018 (paid) | 12,000 |
| October 24, 2019 (paid) | 12,000 |
| October 24, 2020 (paid) | 12,000 |
| October 24, 2021 (paid) | 12,000 |
| October 24, 2022 (paid) | 12,000 |
| October 24, 2023 | 12,000 |
| October 24, 2024 | 12,000 |
| October 24, 2025 | 12,000 |
| October 24, 2026 | 12,000 |
| October 24, 2027 | 12,000 |
| October 24, 2028 | 120,000 |

The Company has the option of purchasing half of the 2% NSR for US$1,000,000.

On May 16, 2019, the Company entered into an option agreement (the "Agreement") with Ethos Gold Corp. ("Ethos), whereby Ethos could spend $5,000,000 over three years, with minimum expenditures of $1,000,000 to be spent prior to the end of the first anniversary of the Agreement, to earn an undivided 50% interest in the precious metal rights at the Iron Point Vanadium Project ("Iron Point"), Nevada. Once Ethos had incurred $5,000,000, a 50%/50% joint venture would be formed between the Company and Ethos, specific to the precious metal rights.

During the year ended March 31, 2021, the Agreement was amended whereby Ethos could spend $5,000,000 over five years with expenditures in an aggregate amount equal to at least US$250,000 each year over the term of the Agreement.

On September 7, 2021, the Company completed an agreement with Ethos, issuing 6,500,000 common shares of the Company with a fair value of $2,470,000, in exchange for Ethos renouncing all of its rights under the earn-in agreement on the Iron Point project.

As at March 31, 2023, the Company has paid $983,852 (March 31, 2022 - $908,462) for reclamation bonds with the Bureau of Land Management ("BLM"). These bonds provide surface reclamation coverage for operations conducted by the Company on lands administered by the BLM. These bonds are fully refundable when the deposit is no longer needed.

**Other Projects**

During the year ended March 31, 2022, the Company acquired the Evana, Crescent Valley, Horse Mountain, Kobeh Valley, Buffalo Valley and other claims through the acquisition of Nevada King Mining (Note 3). The Company holds a 100% interest in these claims.

During the year ended March 31, 2023, the Company decided to focus its exploration and evaluation efforts on three of its projects: Iron Point, Atlanta and Lewis-Hilltop. As a result, an impairment of $30,728,077 on the remaining projects was recorded in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2023.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 5. PROPERTY, PLANT AND EQUIPMENT

In connection with the acquisition of Nevada King Mining (Note 3), during the year ended March 31, 2022, the Company acquired land with a fair value of $102,242 and a building with a fair value of $548,017.

| | Land | Building | Drill Casing | Equipment | Vehicles | Total |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Cost | | | | | | |
| Balance at March 31, 2021 | - | - | - | - | - | - |
| Acquisition of Nevada King Mining (Note 3) | 102,242 | 548,017 | - | - | - | 650,259 |
| Additions | - | 12,017 | 151,238 | - | - | 163,255 |
| Foreign exchange | - | - | (410) | - | - | (410) |
| Balance at March 31, 2022 | 102,242 | 560,034 | 150,828 | - | - | 813,104 |
| Additions | - | 34,818 | 271,615 | 73,503 | 20,427 | 400,363 |
| Disposals | - | - | - | (24,426) | - | (24,426) |
| Foreign exchange | - | - | 5,110 | - | - | 5,110 |
| Balance at March 31, 2023 | 102,242 | 594,852 | 427,553 | 49,077 | 20,427 | 1,194,151 |
| | | | | | | |
| Amortization | | | | | | |
| Balance at March 31, 2021 | - | - | - | - | - | - |
| Additions (Note 4) | - | 21,512 | 28,262 | - | - | 49,774 |
| Balance at March 31, 2022 | - | 21,512 | 28,262 | - | - | 49,774 |
| Additions (Note 4) | - | 25,552 | 177,215 | 15,155 | 6,492 | 224,414 |
| Balance at March 31, 2023 | - | 47,064 | 205,477 | 15,155 | 6,492 | 274,188 |
| | | | | | | |
| Net book value | | | | | | |
| Balance at March 31, 2022 | 102,242 | 538,522 | 122,566 | - | - | 763,330 |
| Balance at March 31, 2023 | 102,242 | 547,788 | 222,076 | 33,922 | 13,935 | 919,963 |

## 6. SHARE CAPITAL AND RESERVES

*Authorized Share Capital*

At March 31, 2023 and 2022, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

*Details of Issues of Common Shares in Fiscal 2023*

On April 22, 2022, the Company completed a private placement financing, issuing 25,000,000 common shares at $0.45 per share for gross proceeds of $11,250,000. Share issuance costs of $51,141 were incurred in connection with the private placement financing.

On June 10, 2022, the Company completed a private placement financing, issuing 10,000,000 common shares at $0.45 per share for gross proceeds of $4,500,000. Share issuance costs of $24,200 were incurred in connection with the private placement financing.

*Details of Issues of Common Shares in Fiscal 2022*

On April 7, 2021, the Company completed the purchase of all of the issued and outstanding common shares of Nevada King Mining in exchange for 99,134,006 common shares of the Company with a fair value of $50,558,343 (Note 3).

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 6. SHARE CAPITAL AND RESERVES (continued)

*Details of Issues of Common Shares in Fiscal 2022(continued)*

In connection with the purchase of Nevada King Mining, the Company completed a private placement of 32,806,902 subscription receipts at a price of $0.55 per subscription receipt for gross proceeds of $18,043,796 during the year ended March 31, 2021. On April 7, 2021, the subscription receipts were converted into 32,806,902 common shares of the Company. The Company incurred finders' fees of $662,487 and other share issuance costs of $40,255 in connection with the private placement.

On June 18, 2021, the Company completed a private placement financing, issuing 6,000,000 common shares at $0.60 per share for gross proceeds of $3,600,000. The Company incurred share issuance costs of $23,564 in connection with the private placement financing.

On September 7, 2021, the Company completed an agreement with Ethos, issuing 6,500,000 common shares of the Company with a fair value of $2,470,000, in exchange for Ethos renouncing all of its rights under the earn-in agreement on the Iron Point project (Note 4).

*Share Purchase Option Compensation Plan*

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX-V. Share purchase options vest at the discretion of the Board of Directors, are subject to a four-month hold period and are generally exercisable for a period of up to five years with a maximum term of ten years.

Option transactions for the years ended March 31, 2023, and 2022 and options outstanding at March 31, 2023 and 2022 are as follows:

| Expiry date | Exercise price | March 31, 2022 | Granted | March 31, 2023 | Options exercisable |
|---|---|---|---|---|---|
| January 31, 2024 | $ 0.35 | 5,900,000 | - | 5,900,000 | 5,900,000 |
| June 17, 2024 | $ 0.63 | 560,000 | - | 560,000 | 560,000 |
| May 10, 2027 | $ 0.60 | - | 16,250,000 | 16,250,000 | 15,275,000 |
| | | 6,460,000 | 16,250,000 | 22,710,000 | 21,735,000 |
| Weighted average exercise price | | $ 0.37 | $ 0.60 | $ 0.54 | $ 0.53 |

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 6. SHARE CAPITAL AND RESERVES (continued)

*Share Purchase Option Compensation Plan (continued)*

| Expiry date | | Exercise price | | March 31, 2020 | | Exercised | | Cancelled/ expired | | March 31, 2021 and 2022 | | Options exercisable |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| January 31, 2021 | $ | 0.35 | | 2,500,000 | | (2,500,000) | | - | | - | | - |
| February 5, 2021 | $ | 0.35 | | 70,000 | | - | | (70,000) | | - | | - |
| January 31, 2024 | $ | 0.35 | | 5,900,000 | | - | | - | | 5,900,000 | | 5,900,000 |
| June 17, 2024 | $ | 0.63 | | 560,000 | | - | | - | | 560,000 | | 560,000 |
| | | | | 9,030,000 | | (2,500,000) | | (70,000) | | 6,460,000 | | 6,460,000 |
| Weighted average exercise price | | | $ | 0.37 | $ | 0.35 | $ | 0.35 | $ | 0.37 | $ | 0.37 |

The Company did not have any warrants outstanding at March 31, 2023 or March 31, 2022 or warrant activity for the years ended March 31, 2023 and 2022.

## 7. RELATED PARTY BALANCES AND TRANSACTIONS

*Key management personnel compensation*

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

Management compensation was as follows:

| **Year ended** | March 31, 2023 | March 31, 2022 |
|---|---|---|
| | $ | $ |
| Management fees paid to a company controlled by the Executive Chairman | 345,191 | 300,872 |
| Management fees paid to a company controlled by the Chief Executive Officer | 1,213,339 | 270,315 |
| Management fees paid to the Chief Financial Officer | 259,084 | 225,281 |
| Director fees | 135,000 | 175,000 |
| Share-based compensation paid to officers and directors | 3,120,913 | - |
| | 5,073,527 | 971,468 |

Included in accounts payable and accrued liabilities at March 31, 2023 are payables of $16,451 related to expense reimbursements (March 31, 2022 - $5,809) for officers and directors of the Company. Related party payables are unsecured, non-interest bearing and have no specified terms of repayment.

## 8. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and evaluation. All of the Company's long-term assets are located in Nevada, USA.

## 9. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

**(a) Fair Values**

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have financial instruments carried at fair value. The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values due to their short-term maturity.

**(b) Financial Instrument Risk Exposure**

***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. The Company's receivables consist mainly of goods and services tax receivable from the Government of Canada and the Company places its cash with financial institutions with high credit ratings therefore credit risk is minimal. The Company's credit risk has not changed significantly from the prior year. The carrying amount of financial assets represents the maximum credit risk exposure.

***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future. The Company has $1,275,010 in accounts payable and accrued liabilities that are due within one year of the date of the consolidated statement of financial position.

***Market risk***

***(i) Currency risk***

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash and accounts payable and accrued liabilities denominated in US dollars. The sensitivity of the Company's net earnings and other comprehensive income to a change in the exchange rate between the United States dollar and the Canadian dollar at March 31, 2023 would change the Company's loss by $105,685 as a result of a 10% change in the value of the Canadian dollar relative to the US dollar.

## 9. FINANCIAL INSTRUMENTS (continued)

***Market risk** (continued)*

***(ii) Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company deposits its cash in interest-bearing bank accounts with variable interest rates, therefore, the Company is minimally exposed to interest rate risk.

***(iii) Price risk***

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly gold. Commodity prices greatly affect the value of the Company and the potential value of its property and investments.

## 10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard its ability to continue as a going concern in order to develop and operate its current projects;
- To pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing its capital structure, the Company includes in its assessment the components of shareholders' equity. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets.

The Company is not subject to any capital requirements imposed by any regulator.

There were no changes in the Company's approach to capital management during the year ended March 31, 2023.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 11. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| | 2023 | 2022 (Restated - Note 2 (m)) |
|---|---|---|
| | $ | $ |
| Loss | (53,589,604) | (6,892,760) |
| Expected income tax recovery | (14,469,000) | (1,861,000) |
| Change in statutory tax, foreign tax, foreign exchange rates and other | 2,528,000 | 600,000 |
| Impact of asset acquisition | - | (1,831,000) |
| Permanent differences | 912,000 | 259,000 |
| Share issuance costs | (20,000) | (196,000) |
| Adjustment to prior years provision versus statutory tax returns | 6,048,000 | 3,704,000 |
| Change in unrecognized deductible temporary differences | 5,001,000 | (675,000) |
| Total income tax recovery | - | - |

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included in the consolidated statements of financial position are as follows:

| | 2023 | 2022 (Restated - Note 2 (m)) |
|---|---|---|
| | $ | $ |
| Deferred tax assets | | |
| Exploration and evaluation assets | 4,746,000 | 2,447,000 |
| Property and equipment | 59,000 | 26,000 |
| Share issuance costs | 147,000 | 182,000 |
| Non-capital losses available for future periods | 6,750,000 | 4,046,000 |
| | 11,702,000 | 6,701,000 |
| Unrecognized deferred tax assets | (11,702,000) | (6,701,000) |
| | - | - |

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 11. INCOME TAXES (continued)

| | 2023 | Expiry Date Range | 2022 |
|---|---|---|---|
| | $ | | $ |
| Temporary Differences | | | |
| Exploration and evaluation assets | 21,432,000 | No expiry date | 10,481,000 |
| Property and equipment | 260,000 | No expiry date | 102,000 |
| Share issuance costs | 546,000 | 2041 to 2045 | 674,000 |
| Non-capital losses available for future periods | 27,924,000 | | 16,105,000 |
| Canada | 14,766,000 | 2032 to 2042 | 11,057,000 |
| USA | 13,158,000 | No expiry date | 5,048,000 |

The significant components of the Company's temporary differences, unused tax credits and unused tax losses than have not been included in the consolidated statements of financial position are as follows:

## 12. SUBSEQUENT EVENTS

i) On May 12, 2023, the Company completed a brokered private placement financing, issuing 11,111,111 common shares at a price of $0.45 per common share for gross proceeds of $5,000,000. Brokers' commissions and other costs of $410,940 were incurred in connection with the private placement financing.

ii) On May 26, 2023, the Company completed a non-brokered private placement financing, issuing 25,000,000 common shares at a price of $0.45 per common share for gross proceeds of $11,250,000. Costs of $67,615 were incurred in connection with the private placement.