METALEX VENTURES LTD

CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Canadian dollars

April 30, 2023

Metalex Ventures Ltd.

April 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Metalex Ventures Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Metalex Ventures Ltd. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2023 and 2022, and the consolidated statements of operations and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company is not generating operating cash flows and will require additional funding in order to maintain its activities for the coming year. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Valuation in private company

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's investment in private company was $4,560,000 as of April 30, 2023. As more fully described in Note 3 and 14 the consolidated financial statements, the investment in private company is measured at fair value at each reporting period. There are estimates used in determining the fair value of the investment in a private company.

The principal considerations for our determination that the fair value of the private company is a key audit matter are due to the estimation uncertainty underlying the valuations and the significant value of the investment in private company at year-end. This determination required the use of appropriate valuation techniques. 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 the fair value of the private company.

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:

- Reviewing and confirming recently completed equity financings by the private company.
- Assessing management estimates underlying the valuation for evidence of bias or error.
- Checking and evaluating the financial statement disclosures in relation to the fair value of the investment in private company.
- Discussions with our valuations department on appropriateness of valuation method utilized.

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

August 23, 2023

Metalex Ventures Ltd.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note		April 30, 2023		April 30, 2022
ASSETS					
Current assets					
Cash		$	2,323,345	$	739,733
Receivables	4, 10		30,541		18,946
Prepaid expenses			21,812		23,064
			2,375,698		781,743
Non-current assets					
Investment in private company	5		4,560,000		4,560,000
Exploration and evaluation assets	6		312,500		312,500
Reclamation deposit	6		1,168,390		1,133,478
Long-term deposit			5,000		5,000
Equipment	8		344		802
Total Assets		$	8,421,932	$	6,793,523
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	9, 10	$	1,783,945	$	1,578,481
Flow-through premium liability	11(b)		330,052		26,848
			2,113,997		1,605,329
SHAREHOLDERS' EQUITY					
Share capital	11		97,755,692		95,998,912
Reserves	11		8,404,440		7,823,871
Deficit			(99,852,197)		(98,634,589)
			6,307,935		5,188,194
Total Liabilities and Shareholders' Equity		$	8,421,932	$	6,793,523

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

Approved by the Board of Directors:

"Chad Ulansky"	*"Lorie Waisberg"*
Chad Ulansky	Lorie Waisberg

See accompanying notes to consolidated financial statements.

Metalex Ventures Ltd.

Consolidated Statements of Operations and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	Note	Years ended April 30, 2023	2022
EXPENSES			
Depreciation	8	$ 458	$ 1,722
Directors fees	10	60,000	60,000
Exploration expenditures	7, 10	952,250	1,844,857
Foreign exchange (gain) loss		(1,265)	886
Office and administrative	10	112,119	74,863
Professional fees		91,027	46,753
Share-based compensation, net of unrealized DSU (gain) loss	10, 11(c)	108,794	(217,118)
Transfer agent and filing fees		46,418	17,011
Travel and promotion		3,103	1,315
		(1,372,904)	(1,830,289)
Unrealized gain on investment in private company	5	-	2,942,000
Gain on sale of shares of private company	5	-	225,000
Flow-through premium	11(b)	68,796	237,710
Interest income		86,500	12,691
		155,296	3,417,401
Income (loss) and comprehensive income (loss) for the year		$ (1,217,608)	$ 1,587,112
Income (loss) per share (Basic and Diluted)		$ (0.01)	$ 0.01
Weighted average number of shares outstanding - basic	12	201,469,622	185,895,918
Weighted average number of shares outstanding - diluted	12	201,469,622	194,629,290

See accompanying notes to consolidated financial statements.

Metalex Ventures Ltd.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserves	Deficit	Total
Balance at April 30, 2021	185,895,918	$ 95,998,912	$ 7,805,988	$ (100,221,701)	$ 3,583,199
Share-based compensation	-	-	17,883	-	17,883
Loss for the year	-	-	-	1,587,112	1,587,112
Balance at April 30, 2022	185,895,918	95,998,912	7,823,871	(98,634,589)	5,188,194
Share issuance for cash	38,152,000	2,279,120	-	-	2,279,120
Share issuance costs	-	(258,163)	82,930	-	(175,233)
Flow-through premium	-	(372,000)	-	-	(372,000)
Share-based compensation	-	-	21,460	-	21,460
Reserves transferred on expired warrants	-	107,823	(107,823)	-	-
Reserves transferred on issuance of deferred share units	-	-	584,002	-	584,002
Loss for the year	-	-	-	(1,217,608)	(1,217,608)
Balance at April 30, 2023	224,047,918	$ 97,755,692	$ 8,404,440	$ (99,852,197)	$ 6,307,935

See accompanying notes to consolidated financial statements.

Metalex Ventures Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Years ended April 30, 2023	2022
OPERATING ACTIVITIES		
Income (loss) for the year	$ (1,217,608)	$ 1,587,112
Items not affecting cash:		
Depreciation	458	1,722
Interest accrued on reclamation deposit	(34,912)	(1,255)
Unrealized gain on investment in private company	-	(2,942,000)
Realized gain on sale of shares in private company	-	(225,000)
Flow-through premium	(68,796)	(237,710)
Share-based compensation	108,794	17,883
Net change in non-cash working capital items:		
Receivables	(11,595)	7,301
Prepaid expenses	1,252	207,106
Accounts payable and accrued liabilities	702,132	(191,432)
Net cash used for operating activities	(520,275)	(1,776,273)
INVESTING ACTIVITIES		
Proceeds on sale of shares in private company	-	275,000
Exploration and evaluation assets	-	(24,000)
Rebate on equipment	-	70
Net cash provided by investing activities	-	251,070
FINANCING ACTIVITIES		
Issuance of share capital	2,279,120	-
Issuance cost	(175,233)	-
Net cash provided by financing activities	2,103,887	-
Change in cash	1,583,612	(1,525,203)
Cash, beginning of year	739,733	2,264,936
Cash, end of year	$ 2,323,345	$ 739,733
Cash paid for interest during the year	$ -	$ -
Cash paid for taxes during the year	$ -	$ -
Supplemental disclosure:		
Transfer of reserves on the expiration of warrants	$ 107,823	$ -
Finders warrants for share issuance costs	$ 82,930	$ -
Reserves transferred on deferred share unit plan	$ 584,002	$ -

See accompanying notes to consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Metalex Ventures Ltd. (the "Company" or "Metalex") is incorporated under the Business Corporations Act, British Columbia and is considered to be in the exploration stage with respect to its mineral properties. To date, the Company has not generated significant revenues from operations and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company's common shares are listed on the TSX Venture Exchange under the trading symbol "MTX". The Company's head office and location of books and records is 203-1634 Harvey Avenue, Kelowna, British Columbia, Canada, V1Y 6G2.

The recoverability of the amounts comprised in mineral properties is 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.

These consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Continued operations of the Company are dependent on its ability to develop its mineral properties, receive continued financial support, complete equity financings, or generate profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The Company is not generating operating cash flows and will require additional funding in order to maintain its activities for the coming year. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

2. BASIS OF PRESENTATION

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

These Financial Statements were approved for issue by the Board of Directors on August 23, 2023.

Basis of Consolidation and Presentation

These Financial Statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These Financial Statements incorporate the financial statements of the Company and its wholly-owned subsidiary (Note 10). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

2. BASIS OF PRESENTATION (*continued*)

Use of Estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ materially and adversely from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on acquisition costs incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

ii) The valuation of the investment in private company. Upon receipt of the shares of a private company, the Company considered the proposed plan for the private company to determine whether the Company had significant influence over the private company, as well as any available market information. As the shares are privately held and not traded on an open market, there may not be readily available information regarding the value of the shares. For the years ended April 30, 2022 and 2023, management obtained information about recent share transactions entered into in regards to the private company and revalued the investment based on the most recently available share prices paid.

iii) The inputs used in calculating the fair value for share-based compensation expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based compensation expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

iv) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign Exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 - The Effects of Changes in Foreign Exchange Rates.

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

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the 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.

Financial assets/liabilities	Classification under IFRS 9
Cash	Amortized cost
Receivables	Amortized cost
Investment in private company	FVTPL
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Impairment of financial assets at amortized cost

An 'expected credit loss' 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.

Derecognition

Financial assets
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. Gains and losses on derecognition are generally recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Exploration and Evaluation

Exploration and evaluation costs are expensed until such time as reserves are proven and financing to complete development has been obtained. Acquisition costs of mineral properties and tangible development costs incurred thereon, are deferred until the property to which they relate is placed into production, sold or abandoned. The carrying values of mineral properties are, where necessary, written down to fair value if carrying value is not recoverable. Costs relating to properties abandoned are written off when the decision to abandon is made.

The Company follows the cost reduction method of accounting for the receipt of property option and similar payments. Cash and other property payments received from the Company's exploration partners are credited to the respective exploration expenditures on the property. Option payments are exercisable at the discretion of the optionee and are only recognized when received.

Asset Retirement Obligations

The Company accounts for the recognition and measurement of liabilities for statutory, contractual or legal obligations associated with the retirement of equipment, and mineral properties when those obligations result from the acquisition, construction, development or normal operations of the assets. When determinable, a liability for future site reclamation costs, or other obligations, would be recorded at net present value and the corresponding increase in the assets carrying value would then be amortized over the remaining useful life of the asset.

Management has reviewed the Company's likely retirement costs of its equipment, and mineral properties for known obligations under contract, common practices or laws and regulations in effect or anticipated. The Company has determined that there are no known or quantifiable significant asset retirement obligations and accordingly, these Financial Statements do not include any provision related to future asset retirement.

Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is recognized annually at rates set-out below:

Computer equipment	36 months straight-line

The remaining useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each reporting period to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of equipment.

Income (loss) per Share

Basic income (loss) per share is computed by dividing the income (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income (loss) per share is computed similar to basic income (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, deferred share units and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options, deferred share units and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the fiscal years presented, this calculation resulted in no change to the income (loss) per share.

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Share-Based Compensation

The Company has an employee stock option plan whereby it is authorized to grant stock options to directors, officers, employees and consultants. Share-based compensation to employees or those that provide similar services as employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees are 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 are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and 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. When the options are exercised, the applicable amounts of option reserves are transferred to share capital.

Share settled plans – At the Annual General Meeting held on November 24, 2022, the shareholders of the Company approved a new deferred share unit plan whereby directors can receive compensation in the form of a deferred share unit. Upon leaving the Board, directors are entitled to receive an equivalent number of shares of the Company. Accordingly, under IFRS, these units are classified as equity financial instruments. The number of deferred share units is calculated based on the volume-weighted average price of the Company's shares for the five days prior to issuance.

Impairment of Non-financial Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If 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 from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit ("CGU") is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Flow-through Shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. On issuance, the Company bifurcates the flow-through share into i) a flow-through share liability, equal to the estimated premium, if any, investors pay for the flow-through feature, and ii) share capital. Upon qualifying expenses being incurred, the Company derecognizes the flow-through premium liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income.

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Flow-through Shares (*continued*)

Proceeds received from the issuance of flow-through shares are to be used for only Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the "Look-back" Rule, in accordance with the Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Warrants

As part of its private placements, the Company has issued warrants and brokers' warrants. Any warrants that expire or are exercised during the year are transferred back to share capital, if originally determined to have a value. The Company values warrants as part of a private placement offering under the residual value approach.

Income Taxes

Income tax expense 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. Current tax expense is the expected tax payable on 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 by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the 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. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

New Standards Not Yet Adopted

IAS1 "Classification of Liabilities as Current or Non-current – Deferral of Effective Date" is an amendment to the standard that is applicable to fiscal years beginning on or after January 1, 2023. The amendments to IAS1 affects only the presentation of liabilities in the statement of financial position, and not the amount or timing of recognition of any asset, liability, income or expense, or the information that entities disclose about them. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least one year and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfers to the counterparty of cash, equity instruments, other assets or services.

There is no expected impact to the financial statements from the adoption of this standard.

4. RECEIVABLES

The Company's receivables are as follows:

	April 30, 2023	April 30, 2022
Related party receivables (Note 10)	$ 4,149	$ 6,424
GST receivable	5,207	11,214
Advance receivable	21,185	1,308
Total	$ 30,541	$ 18,946

5. INVESTMENT IN PRIVATE COMPANY

On October 25, 2019, the Company received 2,780,000 common shares of a private entity (initially valued at $278,000) on the sale of the Company's 62.5% interest in certain mineral claims in the Ring of Fire region of the James Bay Lowlands, Ontario (Note 6). In December 2021, the Company received proceeds of $275,000 from the sale of 500,000 shares of the private entity.

(Expressed in Canadian Dollars)

5. INVESTMENT IN PRIVATE COMPANY

As at April 30, 2023, the Company owns 2,280,000 shares or 3.92% of the private entity (April 30, 2022 – 4.5%). Using recent private placement information, the valuation of the Company's investment has been estimated as follows:

	Investment in private co.
Balance as at April 30, 2021	$ 1,668,000
Proceeds on sale of shares	(275,000)
Gain on sale of shares	225,000
Unrealized gain for the year	2,942,000
Balance as at April 30, 2022 and 2023	$ 4,560,000

6. EXPLORATION AND EVALUATION ASSETS

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

The carrying values of the Company's exploration and evaluation assets are as follows:

	Wemindji James Bay, Quebec	Kyle Lake, Ontario	South Africa	Total
Balances as at April 30, 2020 and 2021	$ 10,500	$ 264,862	$ 13,138	$ 288,500
Additions	-	-	24,000	24,000
Balances as at April 30, 2022 and 2023	$ 10,500	$ 264,862	$ 37,138	$ 312,500

The Company's one reportable operating segment is the acquisition and exploration of mineral properties; the Company's non-current assets are entirely in Canada.

Wemindji James Bay Property, Quebec

As at April 30, 2023, the Company has a 77.75% (April 30, 2022 – 77.66%) contributing interest in various mineral claims located in the Wemindji James Bay region of Quebec for the exploration of diamonds and owns 100% of the non-diamond project.

6. EXPLORATION AND EVALUATION ASSETS *(continued)*

Kyle Lake Project, Ontario

As at April 30, 2023, the Company has a 100% earned interest in certain mineral claims located in the Kyle Lake area of Ontario. These claims are subject to a 10% carried interest in favour of Kel-Ex Development Ltd. ("Kel-Ex"), a company related by virtue of a common director. Pursuant to earn-in agreements, the Company will be required to pay $2,000,000 in circumstances where a mine is put into production on the claims comprising the Kyle Lake project.

As at April 30, 2023, the Company has paid an advanced reclamation deposit valued at $1,168,390 (April 30, 2022 – $1,133,478) for potential disturbance on future development at the Kyle Lake project.

Morocco

In May 2004, the Company entered into an agreement with the Office National de Hydrocarburers et des Mines ("ONHYM") to conduct preliminary exploration work in Southern Morocco in order to identify areas on which to undertake further exploration work. In May 2005, the Company added additional areas for exploration work on the same terms and conditions as the first agreement. The agreements were governed by the laws and regulations of the Kingdom of Morocco and were valid until November 2006.

In April 2011, the Company entered into a new joint venture agreement with the ONHYM for further exploration of the claim areas. The Company will hold a 60% interest while ONHYM will retain a 40% interest in the project. Both parties will be responsible for funding their respective interests.

During the years ended April 30, 2022 and 2023, the Company received notices which disputed that ONHYM and the government of the Kingdom of Morocco have any jurisdiction over the area in which the Company's claims are located and that the claims lay in Western Sahara. The Company's position is that the territory is under the jurisdiction of the Kingdom of Morocco. As such, the Company continues to work with ONHYM to extend the previous 36 month agreement with them that has expired.

South Africa

In November 2020, the Company reached an agreement to acquire an interest in a prospecting license from Invest in Property 126 (Pty) Ltd ("IIP"). Over a four-stage agreement and the completion of a feasibility study, the Company has the ability to earn up to a 70% interest in the property.

The Company will first fund 250,000 South African Rands to convert the prospecting license to a mining lease to acquire a 20% interest. While the Company is in the process of converting the prospecting license and has funded $24,000 (280,078 South African rand) towards this, the process has not been completed. As such, as at April 30, 2022 and 2023 the Company has not yet earned the 20% initial investment.

The next stage involves the Company funding an airborne geophysical survey and testing known kimberlites and new targets. Completion of this and a $10,000 USD payment to IIP (paid in fiscal 2021 – $13,138) earns the Company a further 15% interest (35% total).

The third stage is drilling of a minimum of 12 holes to test kimberlites which show economic potential. Completion of this work and a payment of $10,000 USD to IIP earns the Company a further 16% (51% total). In the fourth stage, the Company will fund a bulk sampling of a kimberlite. This, along with payment of $100,000 to IIP, earns the Company an additional 10% interest (61% total).

6. EXPLORATION AND EVALUATION ASSETS *(continued)*

Once the Company has funded the completion of a feasibility study on the project, the Company will earn a final 9% interest bringing its interest to 70%. Upon the decision to proceed with mine construction a further $100,000 payment will be made to IIP. Any joint venture will be subject to a 10% net profits royalty interest.

Attawapiskat

The Company previously had working interests in joint ventures with Big Red Diamond (83.9% working interest and 72% earned interest) and Dumont (82.5% working interest and 61.7% earned interest). The claims were allowed to lapse.

Mali

The Company has a 100% interest in two gold exploration licenses. The annual exploration commitments for both permits in CFA Francs ("CFA"), with Canadian Dollar equivalents using exchange rates at April 30, 2023 is estimated at $1,573,864 (CFA 692,000,000). The project is currently under force majeure.

(Expressed in Canadian Dollars)

7. EXPLORATION EXPENDITURES

	James Bay, Quebec	Kyle Lake, Ontario	Morocco	South Africa	Total
Cumulative expenditures, April 30, 2021	$ 9,054,058	$ 47,169,637	$ 5,924,454	$ 36,100	$ 62,184,249
Additions					
Aircraft field transport	240,955	18,256	-	-	259,211
Camp and field supplies	18,930	6,360	235	-	25,525
Drill supplies and repairs	1,664	-	-	-	1,664
Equipment rental	14,751	17,414	-	-	32,165
Fuel	31,940	3,912	-	-	35,852
Licenses, rent and other	1,106	10,343	-	73,727	85,176
Labour	794,893	54,509	19,538	13,756	882,696
Sample laboratory analysis	242,579	-	-	-	242,579
Shipping, freight and storage	41,575	109,368	8,300	-	159,243
Telecommunications	578	78	-	-	656
Travel and accomodation	102,799	11,563	5,728	-	120,090
Net exploration expenditures during the year	1,491,770	231,803	33,801	87,483	1,844,857
Cumulative expenditures, April 30, 2022	10,545,828	47,401,440	5,958,255	123,583	64,029,106
Additions					
Camp and field supplies	13,797	2,376	-	-	16,173
Drill supplies and repairs	76,565	-	-	-	76,565
Equipment rental	2,613	50	-	-	2,663
Fuel	1,032	-	-	-	1,032
Licenses, rent and other	24,447	11,625	-	18,281	54,353
Labour	165,797	32,532	82,093	60,315	340,737
Sample laboratory analysis	344,572	31,603	515	-	376,690
Shipping, freight and storage	16,226	116,841	8,429	-	141,496
Telecommunications	18	16	-	-	34
Travel and accomodation	16,066	17,815	5,592	-	39,473
Total additions	661,133	212,858	96,629	78,596	1,049,216
Cost recoveries	(96,966)	-	-	-	(96,966)
Net exploration expenditures during the year	564,167	212,858	96,629	78,596	952,250
Cumulative expenditures, April 30, 2023	$ 11,109,995	$ 47,614,298	$ 6,054,884	$ 202,179	$ 64,981,356

(Expressed in Canadian Dollars)

8. EQUIPMENT

	Computer equipment		
	Cost	Accumlated depreciation	Carrying cost
Balance as at April 30, 2021	$ 5,255	$ 2,661	$ 2,594
Cost recovery	(70)	-	(70)
Depreciation	-	1,722	(1,722)
Balance as at April 30, 2022	5,185	4,383	802
Depreciation	-	458	(458)
Balance as at April 30, 2023	$ 5,185	$ 4,841	$ 344

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are as follows:

	April 30, 2023	**April 30, 2022**
Trade payables	$ 13,402	$ 10,148
Accrued liabilities	3,400	451,669
Related party payables (Notes 10, 11(d))	1,767,143	1,116,664
Total	$ 1,783,945	$ 1,578,481

10. RELATED PARTY DISCLOSURES

The Financial Statements include the financial statements of Metalex Ventures Ltd. and its 100% owned inactive subsidiary, Mali Gold Mine Ltd. (incorporated in the country of Mali); there has been no change in ownership during the period.

During the years ended April 30, 2023 and 2022, the Company had related party transactions with the following companies related by way of common directors or shareholders:

- C.F. Mineral Research Ltd. ("CF Minerals") – a private company owned by the Metalex Chairman. CF Minerals provides heavy mineral geochemistry services to the Company.
- Cantex Mine Development Corp. ("Cantex") – a publicly listed company with common directors and management. Metalex and Cantex share office space and thus have certain shared expenditures which get re-billed on a cost-recovery basis.
- Element 29 Ventures Ltd. ("Element 29") – a private company owned by the Metalex CEO. Element 29 provides geological consulting services to the Company.
- FourIrons Consulting ("FourIrons") – a private company owned by the Metalex CFO. FourIrons provides financial consulting services to the Company.
- Kel-Ex Development Ltd. ("Kel-Ex") – a private company owned by the Metalex Chairman. Kel-Ex provides administration, payroll and office services to the Company.
- Northern Uranium Corp. ("Northern") – a publicly listed company with common directors and management. Metalex and Northern share office space and thus have certain shared expenditures which get re-billed on a cost-recovery basis.

(Expressed in Canadian Dollars)

10. RELATED PARTY DISCLOSURES *(continued)*

The key management personnel of the Company are the Directors, Chief Executive Officer and Chief Financial Officer.

The Company's related party expenses consist of the following:

	Years ended April 30, 2023	2022
Laboratory and mineralogical costs, including storage fees	**$ 479,489**	$ 336,746
Administration fees (10%)	**20,253**	112,303
Consulting fees	**137,545**	57,353
Shared field expenditures	**27,950**	42,708
Shared office and administrative costs	**13,373**	9,523
	$ 678,610	$ 558,633

	Years ended April 30, 2023	2022
C.F. Mineral Research Ltd.	**$ 479,489**	$ 336,746
Kel-Ex Development Ltd.	**119,384**	138,452
Element 29 Ventures Ltd.	**44,878**	56,951
FourIrons Consulting	**34,859**	26,450
Cantex Mine Development Corp.	**-**	34
	$ 678,610	$ 558,633

The Company's expenses recovered from related parties consist of the following:

	Year ended April 30, 2023	2022
Shared office and administrative costs	**$ 44,104**	$ 22,441
Shared field expenditures	**65,591**	27,076
	$ 109,695	$ 49,517

	Year ended April 30, 2023	2022
Cantex Mine Development Corp.	**$ 93,833**	$ 43,499
Kel-Ex Development Ltd.	**13,479**	5,552
Northern Uranium Corp.	**2,383**	466
	$ 109,695	$ 49,517

(Expressed in Canadian Dollars)

10. RELATED PARTY DISCLOSURES *(continued)*

Included in accounts payable of the Company are the following amounts due to related parties:

		April 30, 2023		April 30, 2022
C.F. Mineral Research Ltd.	**$**	**1,453,359**	$	1,077,717
Cantex Mine Development Corp.		**-**		36
Element 29 Ventures Ltd.		**1,267**		12,884
FourIrons Consulting		**1,811**		1,785
Kel-Ex Development Ltd.		**295,706**		24,242
Glenn Nolan, independent director		**7,500**		-
Lorie Waisberg, independent director		**7,500**		-
	$	**1,767,143**	$	1,116,664

Included in receivables of the Company are the following amounts due from related parties:

		April 30, 2023		April 30, 2022
Cantex Mine Development Corp.	**$**	**3,672**	$	6,048
Kel-Ex Development Ltd.		**229**		279
Northern Uranium Corp.		**248**		97
	$	**4,149**	$	6,424

The remuneration of directors and officers is as follows:

	Years ended April 30,			
		2023		2022
Director fees(1) and share-based compensation(3)	**$**	**167,484**	$	(158,210)
Consulting fees(2)		**59,719**		50,109
	$	**227,203**	$	(108,101)

(1) Directors fees are amounts accrued under the Company's deferred share unit plan as described in Note 11 (d). For the year ended April 30, 2023, $45,000 in directors fees was settled with the issuance of DSUs and $15,000 in directors fees was accrued and included in accrued liabilities to represent the amount entitled by the independent directors as at April 30, 2023. These were settled with the issuance of the DSUs in May 2023.
(2) Consulting fees includes amounts paid or accrued for geological consulting fees included in exploration expenditures, as well as corporate consulting fees included in office and administrative expenses within profit or loss.
(3) Share-based compensation represents the vested portion of share options issued to management and directors based on the Black-Scholes option pricing model (Note 11(c)), as well as the gain or loss on settlement of the DSUs granted (Note 11(d)).

11. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES *(continued)*

b) Issued share capital

The Company incurred a flow-through premium of $287,000 associated with the issuance of flow-through shares in January 2021. As at April 30, 2023, the Company has fulfilled its flow through fund spending requirements (April 30, 2022 – $152,380 in remaining funds) and has recovered the remaining flow-through premium (balance as at April 30, 2022 – $26,848) in profit or loss.

In December 2022, the Company completed a private placement of flow-through units ("the FT Units") and non-flow through units ("the Units"). The FT Units were issued at a price of $0.06/FT Unit and Units were issued for $0.05/Unit. Each FT Unit was comprised of one flow-through common share and one-half of one common share purchase warrant; each Unit was comprised of one non-flow through common share and one-half of one common share purchase warrant. Each whole warrant is exercisable at a price of $0.08 for a period of eighteen months. Over the course of two tranches, the Company closed the private placement for a total of $2,279,120 from the sale of 37,152,000 FT Units and 1,000,000 Units; 19,076,000 warrants were issued as part of the private placement. Finder fees of $158,279 and other share issuance costs of $16,954 were incurred in conjunction with this private placement. As part of the commission agreement, the Company issued 2,975,168 finder's warrants valued at $82,930 using the Black-Scholes option pricing model with the following variables:

	Tranche 1	Tranche 2
Expected life	1.5 years	1.5 years
Volatility	101.21%	102.01%
Risk-free rate	3.95%	3.81%
Dividend rate	0%	0%
Expiry date	May 28, 2024	June 5, 2024

As at April 30, 2023, the Company had $1,977,755 in remaining flow through funds from this private placement; of the $372,000 flow through premium associated with this financing, there is a remaining flow through premium liability of $330,052.

Subsequent to April 30, 2023, the Company announced and completed a private placement of flow-through shares ("FT Shares"), which were issued at $0.05 per FT share. A total of 10,400,000 FT shares were issued for total proceeds of $520,000; a flow through premium of $104,000 was associated with this financing. Finders fees of $25,900 were paid in conjunction with this private placement.

c) Stock options and warrants

The Company, in accordance with its shareholder approved stock option plan as amended, is authorized to grant options to directors, officers, employees and consultants, to acquire up to 10% of the issued and outstanding common shares. The exercise price of the options issued under the plan is determined by the Board of Directors at the time the options are granted. The options vest immediately upon grant and are exercisable for up to a period of ten years from the date of grant, unless otherwise determined by the Board of Directors.

During the year ended April 30, 2023, the Company recognized share-based compensation of $108,794 (year ended April 30, 2023 – recovery of $217,118) in profit or loss. This is comprised of adjustments to the fair market value of DSUs issued, as well as the vested portion of share-based compensation granted in June 2021. Unlike previously issued options, the options granted on June 30, 2021 did not vest immediately; it was determined by the Board of Directors that these will vest pro-rata over a five year period and will become fully vested on June 30, 2026. They will expire on June 30, 2028.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES *(continued)*

c) Stock options and warrants *(continued)*

The weighted average fair value of the options granted was valued at $0.05 per option using the Black-Sholes option pricing model. The assumptions used in calculating fair values include an expected life of 5 years, volatility of 131.43%, risk free dividend rate of 0.97% and dividend rate of 0%.

As at April 30, 2023, the Company has recognized twenty-two months of vesting of options granted in June 2021; this has been offset against the fair market value adjustment to the Deferred Share Unit Plan (Note 11(d)):

	Year ended April 30, **2023**	2022
Share-based compensation fair market value unrealized (gain) loss	**$ 87,334**	$ (235,001)
Share-based compensation for vested options	**21,460**	17,883
	$ 108,794	$ (217,118)

Stock option and warrant transactions are summarized as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, April 30, 2021	4,156,000	$ 0.14	12,261,376	$ 0.10
Granted	2,130,000	0.08	-	-
Outstanding, April 30, 2022	6,286,000	$ 0.12	12,261,376	$ 0.10
Granted	-	-	22,051,168	0.08
Expired	-	-	(12,261,376)	0.10
Outstanding, April 30, 2023	6,286,000	$ 0.12	22,051,168	$ 0.08
Number currently exercisable	4,937,000	$ 0.13	22,051,168	$ 0.08

(Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES *(continued)*

c) Stock options and warrants *(continued)*

The following stock options and warrants were outstanding as at April 30, 2023:

	Number	Exercise Price		Expiry Date
Options	3,756,000	$	0.15	December 19, 2023
	400,000		0.08	January 13, 2026
	2,130,000		0.08	June 30, 2028*
	6,286,000			

* Of the 2,130,000 outstanding options, 781,000 of these have vested as of April 30, 2023.

	Number	Exercise Price		Expiry Date
Warrants	11,057,640	$	0.08	May 28, 2024
	10,993,528		0.08	June 5, 2024
	22,051,168			

d) Deferred share unit ("DSU") plan

Under the old deferred share unit plan, directors were entitled to receive the cash value equal to the fair value of the deferred shares outstanding. In October 2022, the Company amended and approved a new plan. Under the new DSU plan, directors will earn compensation quarterly ($7,500 initial value per quarter per director) at which time the number of deferred share units issued will be determined by the Board up to 100% of the compensation based on the volume-weighted average of the Company's trading price for the last five trading days before issuance. Upon leaving the Board, directors will receive an equivalent number of common shares for the deferred compensation. Accordingly, the Company derecognized a financial liability of $524,002 and recognized an increase in reserves for the new DSU plan, which is equity settled.

As of April 30, 2023, $nil of deferred compensation (April 30, 2022 – $436,669) has been accrued in liabilities which equates to 9,733,372 shares (April 30, 2022 – 8,733,372 shares). The initial value of the DSUs issued for the three month period ended April 30, 2023 were accrued as at April 30, 2023, and issued in May 2023.

Directors' fees of $60,000 (2022 – $60,000) reflect the compensation to directors, with an additional fair value adjustment of $87,334 associated with the settlement of the old DSUs (2022 – recovery of $235,001) recognized in profit and loss.

12. INCOME (LOSS) PER SHARE

Basic Income (Loss) per Share

Basic income (loss) earnings per share is calculated by dividing income for the period by the weighted average number of common shares outstanding during the fiscal year of the Company.

(Expressed in Canadian Dollars)

12. INCOME (LOSS) PER SHARE *(continued)*

Basic Income (Loss) per Share *(continued)*

	Years ended April 30, 2023	2022
Income (loss) for the year	$ (1,217,608)	$ 1,587,112
Weighted average number of common shares	201,469,622	185,895,918
Basic income (loss) per share	$ (0.01)	$ 0.01

Diluted Income (Loss) per Share

For the purpose of calculating diluted income (loss) per share, the weighted average number of shares of common shares outstanding during the year has been adjusted for the dilutive effects of all potential common shares, warrants and deferred share units granted to board members. The diluted income (loss) per share is calculated by dividing income (loss) for the period by the weighted average number of shares that would have been in issue upon full exercise of the dilutive issuances, except where such adjustment would be anti-dilutive. For the year ended April 30, 2023, as a result of the Company's loss, the basic and diluted income (loss) per share are the same.

	Years ended April 30, 2023	2022
Income (loss) for the year	$ (1,217,608)	$ 1,587,112
Opening weighted average shares outstanding	185,895,918	185,895,918
Weighted average number of shares issued	15,573,704	-
Weighted average number of DSUs issued	-	8,733,372
Diluted weighted average number of common shares	201,469,622	194,629,290
Diluted income (loss) per share	$ (0.01)	$ 0.01

(Expressed in Canadian Dollars)

13. INCOME TAXES

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

	2023	2022
Income (loss) for the year	$ (1,217,608)	$ 1,587,112
Expected income tax (recovery)	$ (329,000)	$ 429,000
Change in statutory, foreign tax, foreign exchange rates and other	(47,000)	(36,000)
Impact of flow-through shares	602,000	-
Permanent difference	22,000	(550,000)
Adjust to prior years provision versus statutory tax returns and expiry of non-capital losses	397,000	(439,000)
Change in unrecognized deductible temporary differences and other	(645,000)	596,000
Total income tax expense (recovery)	$ -	$ -

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	2023	Expiry dates	2022
Temporary Differences			
Exploration and evaluation assets	$ 39,953,000	No expiry	$ 42,616,000
Property and equipment	1,067,000	No expiry	1,066,000
Investment in private company	(4,332,000)	No expiry	(4,332,000)
Share issue costs	234,000	2038 to 2043	141,000
Non-capital and allowable capital losses available for future period	12,369,000	2021 to 2043	12,187,000
Investment tax credit	151,000	2032 to 2038	151,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (*continued*)

The carrying value of cash, receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Investment in private company is carried at fair market value using a level 2 fair value measurement, which has been based on the last share purchase price used to raise funds. Any adjustments to the value of this investment will be reflected in profit or loss.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

Currency risk - While the Company's capital is raised in Canadian dollars and has limited exposure to fluctuations in the exchange rates. The Company considers this foreign currency risk to be insignificant.

Credit risk – Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is in large Canadian financial institutions. The Company's receivables typically consist mainly of receivables from related parties for shared expenditures and GST receivable due from the Federal Government of Canada.

As at April 30, 2023, the Company had $4,149 (April 30, 2022 – $6,424) in outstanding related party receivables; the Company has subsequently received all of this balance. The Company is subject to the risk that its joint venture partners will default on amounts owing for their portion of exploration expenditures (April 30, 2023 and 2022 – $Nil). Any such amounts defaulted would dilute that partners' interest in the exploration joint venture and would require the Company to pick up the proportionate share of future exploration expenditures.

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. There is a very limited interest rate risk as the Company holds no material interest bearing financial obligations or assets.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Note 15. The Company is exposed to liquidity risk.

Price risk - The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of diamonds and other minerals. The Company's input costs are also affected by the price of fuel. Management monitors diamond, precious metal and fuel prices to determine the appropriate course of action to be taken by the Company. The fair value of the investment in private company will fluctuate based on current market prices of its shares. Market prices may significantly impact the fair value of the investment and result in unrealized gains and losses through the Company's statement of profit and loss.

15. CAPITAL RISK MANAGMENT

The Company includes shareholders' equity, comprised of issued common shares, reserves, and deficit, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

(Expressed in Canadian Dollars)

15. CAPITAL RISK MANAGEMENT *(continued)*

The Company is in the exploration stage; as such, it has historically relied on the equity markets to fund its activities. The Company's primary objective with respect to capital management is to ensure adequate liquid capital resources are in place to fund the exploration and development of its mineral properties while maintaining its ongoing operations. To secure the additional capital to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt and or equity. The Company has made no changes to its objective, nor is the Company subject to external capital requirements.

16. SEGMENTED INFORMATION

The Company manages its business as a single operating segment: mineral exploration. The Company operates in both foreign and domestic countries as follows:

		Year ended April 30,		
		2023		2022
Income (loss)				
Canada	**$**	**(1,139,012)**	$	1,674,595
South Africa		**(78,596)**		(87,483)
	$	**(1,217,608)**	$	1,587,112

		April 30, 2022		April 30, 2021
Exploration and evaluation assets				
Canada	**$**	**275,362**	$	275,362
South Africa		**37,138**		37,138
Equipment				
Canada		**344**		802
	$	**312,844**	$	313,302