QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Financial Statements

(Unaudited and unreviewed by the Company's Independent Auditors)

Three-month periods ended
April 30, 2023 and 2022

QUEBEC PRECIOUS METALS CORPORATION
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Condensed Interim Financial Statements
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Condensed Interim Financial Statements

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Statements of Financial Position

As at April 30, 2023 and January 31, 2023

(in Canadian dollars)

	Note	April 30 2023	January 31 2023
		$	$
Assets			
Current assets:			
Cash		194,869	262,706
Marketable securities	4	1,366,069	1,151,913
Other receivables		1,411	2,245
Taxes receivable		21,817	30,324
Prepaid expenses		73,319	61,563
Tax credits related to resources receivable		565,896	561,498
Mining tax credits receivable		71,870	221,342
Total current assets		2,295,251	2,291,591
Non-current assets:			
Property and equipment		3,115	1,127
Total non-current assets		3,115	1,127
Total assets		2,298,366	2,292,718
Liabilities and Equity			
Current liabilities:			
Trade accounts payable and other liabilities		113,869	72,037
Loan	5	40,000	40,000
Total current liabilities		153,869	112,037
Equity:			
Share capital	6	50,561,562	50,543,316
Contributed surplus		5,080,212	5,055,487
Deficit		(53,497,277)	(53,418,122)
Total equity		2,144,497	2,180,681
Total liabilities and equity		2,298,366	2,292,718

Statute of incorporation, nature of activities and going concern, see Note 1.

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

These financial statements were approved and authorized for issue by the Board of Directors on June 22, 2023.

(S) Julie Robertson	(S) James Shannon
Director	Director

QUEBEC PRECIOUS METALS CORPORATION
(An exploration company)
Condensed Interim Statements of Loss and Comprehensive Loss
Three-month periods ended April 30, 2023 and 2022
(in Canadian dollars)

		Three-month period ended	
		April 30 2023	April 30 2022
		$	$
Operating expenses:			
Salaries and employee benefit expense		73,474	122,636
Office and other expenses		52,273	41,301
Business development and investor relations		25,390	79,153
Registration, listing fees and shareholders information		12,582	10,477
Professional and consulting fees		79,175	83,829
Depreciation of property and equipment		381	423
Share-based compensation	7	24,725	13,158
Write-off of equipment		-	2,641
Exploration and evaluation expenses	8	25,357	824,375
Operating loss		293,357	1,177,993
Other (income) expenses:			
Finance expense		-	25,472
Interest income		(46)	(65)
Change in fair value of marketable securities	4	(214,156)	19,609
Exchange loss (gain)		-	(88)
Total net other (income) expenses		(214,202)	44,928
.			
Net loss and comprehensive loss		(79,155)	(1,222,921)
Weighted average number of common shares outstanding		83,180,665	82,458,877
Basic and diluted loss per share:		(0.001)	(0.015)

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

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Statements of Changes in Equity

Three-month periods ended April 30, 2023 and 2022

(in Canadian dollars)

	Note	Number of shares outstanding	Share capital	Contributed surplus	Deficit	Total equity
			$	$	$	$
Balance as at January 31, 2023		82,994,787	50,543,316	5,055,487	(53,418,122)	2,180,681
Shares issued:						
As payment of director's fees	6	243,282	18,246			18,246
Share options granted	7			14,631		14,631
Deferred share units granted	7			10,094		10,094
		83,238,069	50,561,562	5,080,212	(53,418,122)	2,223,652
Net loss and comprehensive loss for the period					(79,155)	(79,155)
Balance as at April 30, 2023		83,238,069	50,561,562	5,080,212	(53,497,277)	2,144,497
Balance as at January 31, 2022		82,458,877	50,501,034	5,007,913	(53,152,615)	2,356,332
Share options granted	7			13,158		13,158
		82,458,877	50,501,034	5,021,071	(53,152,615)	2,369,490
Net loss and comprehensive loss for the period					(1,222,921)	(1,222,921)
Balance as at April 30, 2022		82,458,877	50,501,034	5,021,071	(54,375,536)	1,146,569

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

QUEBEC PRECIOUS METALS CORPORATION

(An exploration company)

Condensed Interim Statements of Cash Flows

Three-month periods ended April 30, 2023 and 2022

(in Canadian dollars)

	Three-month period ended	
	April 30 2023	**April 30 2022**
	$	**$**
Operating activities:		
Net loss	(79,155)	(1,222,921)
Adjustments for:		
Director's fees paid through issuance of shares	18,246	-
Write-off of equipment	-	2,641
Depreciation of property and equipment	381	423
Share-based compensation	24,725	13,158
Finance expense	-	1,220
Change in fair value of marketable securities	(214,156)	19,609
Operating activities before changes in working capital items	(249,959)	(1,185,870)
Change in other receivables	834	-
Change in taxes receivable	8,507	56,657
Change in prepaid expenses	(11,756)	47,181
Change in tax credits related to resources receivable	149,472	(551,011)
Change in mining tax credits receivable	(4,398)	(69,676)
Change in trade accounts payable and accrued liabilities	41,832	748,665
Change in working capital items	184,491	231,816
Cash flows used for operating activities	(65,468)	(954,054)
Investing activities:		
Acquisition of equipment	(2,369)	-
Cash flows used for investing activities	(2,369)	-
Net change in cash	(67,837)	(954,054)
Cash, beginning of period	262,706	1,578,789
Cash, end of period	194,869	624,735

Additional disclosures of cash flow information (Note 10).
The accompanying notes are an integral part of these financial statements.

1. Statute of incorporation, nature of activities and going concern:

Quebec Precious Metals Corporation (or “the Company”), incorporated under the Canada Business Corporations Act, is a mineral exploration company operating in Canada. Its shares are traded on the TSX.V Stock Exchange under the symbol QPM, on the American Stock Exchange OTCQB Market under the symbol CJCFF and on the Frankfurt exchange under the symbol YXEN. The address of the Company’s head office and registered office is 800 rue du Square-Victoria, Suite 3500, Montréal, Québec, H4Z 1E9 and its web site is www.qpmcorp.ca.

The Company has not yet determined whether its mining projects have mineral reserves. The exploration and development of mineral deposits involves significant financial risks. The success of the Company will be influenced by a number of factors, including exploration and extraction risks, regulatory issues, environmental regulations and other regulations.

Although management has taken steps to verify titles of the mining projects in which the Company holds an interest, in accordance with industry standards for the current stage of exploration of such projects, these procedures do not guarantee the Company’s project title. Project title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

The financial statements have been prepared by the Company on a going concern basis, assuming that the Company will be able to realize its assets and settle its liabilities in the normal course of business as they come due.

For the three-month period ended April 30, 2023, the Company recorded a net loss of $79,155 ($1,222,921 for the three-month period ended April 30, 2022) and had negative cash flows from operations of $65,468 ($954,054 for the three-month period ended April 30, 2022). In addition, the Company had accumulated deficit of $53,497,277 as at April 30, 2023. Besides the usual needs for working capital, the Company must obtain funds to enable it to meet the timelines of its exploration programs and to pay its overhead and administrative costs. As at April 30, 2023, the Company had a working capital (total current assets less total current liabilities) of $2,141,382 (a working capital of $2,179,554 as at January 31, 2023) including cash of $194,869 ($262,706 in cash as at January 31, 2023). The Company is still in exploration stage and, as such, no revenue nor cash flow has been yet generated from its operating activities other than from the sales of non-core assets. Consequently, management periodically seeks financing through the issuance of shares, the exercise of warrants and share purchase options to continue its operations, and despite the fact that it has been able in the past, there is no guarantee of success for the future. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The accompanying financial statements do not reflect the adjustments or reclassification of assets and liabilities, that would be necessary if the going concern assumption is not appropriate. These adjustments could be material.

2. Basis of preparation:

2.1 Statement of compliance:

These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) in accordance with IAS 34, Interim Financial Reporting.

Certain information, in particular the accompanying notes, normally included in the audited annual financial statements prepared in accordance with IFRS, has been omitted or condensed. Accordingly, these unaudited condensed interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements of the Company and the notes thereto for the year ended January 31, 2023.

2.2 Basis of measurement:

These financial statements have been prepared on the historical cost basis except for:

- investments which are measured at fair value; and
- share-based compensation transactions, which are measured at fair value at grant date pursuant to IFRS 2, Share-Based payment.

2.3 Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

2.4 Use of estimates and judgements:

Critical judgments in applying the accounting policies of the Company in the preparation of these condensed interim financial statements and key assumptions related to these estimation uncertainties are the same as the ones listed and described in Note 2 of the annual audited financial statements of the Company as at January 31, 2023.

(in Canadian dollars)

3. Significant accounting policies:

These condensed interim financial statements have been prepared following the same accounting policies used in Note 3 of the annual audited financial statements for the year ended January 31, 2023.

3.1 Adoption of new accounting standards:

There was no adoption of new accounting policies in preparing the condensed interim financial statements as at April 30, 2023.

3.2 New standards and interpretations that are not yet effective and have not been adopted:

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4. Marketable securities:

	Number of shares				Carrying value				
	January 31 2023	Acquisition	Disposition	April 30 2023	January 31 2023	Acquisition	Disposition	Change in fair value	April 30 2023
					$	$	$	$	$
Shares									
NICO (1)	146,089	-	-	146,089	21,913	-	-	(5,844)	16,069
FEX (2)	1,000,000	-	-	1,000,000	50,000	-	-	(20,000)	30,000
LTHM (3)	12,000,000	-	-	12,000,000	1,080,000	-	-	240,000	1,320,000
	13,146,089	-	-	13,146,089	1,151,913	-	-	214,156	1,366,069

	Number of shares				Carrying value				
	January 31 2022	Acquisition	Disposition	January 31 2023	January 31 2022	Acquisition	Disposition	Change in fair value	January 31 2023
					$	$	$	$	$
Shares									
NICO (1)	146,089	-	-	146,089	42,366	-	-	(20,453)	21,913
FEX (2)	1,000,000	-	-	1,000,000	95,000	-	-	(45,000)	50,000
LTHM (3)	-	12,000,000 (4)	-	12,000,000	-	480,000 (4)	-	600,000	1,080,000
	1,146,089	12,000,000	-	13,146,089	137,366	480,000	-	534,547	1,151,913

(1) Class 1 Nickel and Technologies Ltd. - Canadian Securities Exchange - Symbol "NICO"
(2) Fjordland Exploration Inc. - TSX Venture - Symbol "FEX"
(3) Champion Electric Metals Inc (formerly Idaho Champion Gold Mines Canada Inc.) - Canadian Securities Exchange - Symbol "LTHM" (formerly "ITKO").
(4) On November 10, 2022, the Company received 12,000,000 shares of Champion Electric Metals Inc. measured at its fair value of $480,000, of which 6,000,000 shares are subject to escrow for 18 months. (Note 8 - Blanche-Charles project option agreement).

5. Loan:

On July 8, 2021, the Company received $60,000 from the Canada Emergency Business Account ("CEBA"). The Government of Canada has launched the new CEBA which has been implemented by eligible financial institutions in cooperation with Export Development Canada. The CEBA program has approved an interest-free loan of up to $60,000 to the Company to help cover operating costs due to the economic impacts of the COVID-19 virus. The outstanding balance of the CEBA must be repaid by December 31, 2023. Repayment of the CEBA received on or before the due date will result in loan forgiveness of 33.3% (up to $20,000).

For purposes of determining the fair value of the liability, an effective interest rate of 15% was used which is the estimated market rate that the Company would have obtained for a similar financing. The liability is accreted up to the face value of the loan over the term of the loan as an interest expense. At the issuance, the fair value of the loan was calculated to be $32,516 and the government assistance recognized in the statement of loss and comprehensive loss was $27,484 which included the loan forgiveness of $20,000 during the year ended January 31, 2022. During the year ended January 31, 2023, an interest expense of $4,801 was recorded in the statement of loss and comprehensive loss ($2,683 for the year ended January 31, 2022).

(in Canadian dollars)

6. Share capital:

(a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Issued and outstanding:

2024:

On February 21, 2023, the Company issued to directors 243,282 common shares valued at $18,246 for director's fees ($0.075 per share) in order to settle 90% of the director's fees payable for the three-month period ended January 31, 2023 (10% paid in cash).

2023:

On October 11, 2022, the Company issued to directors 208,930 common shares valued at $17,758 for director's fees ($0.085 per share) in order to settle 90% of the director's fees payable for the three-month period ended June 30, 2022 (10% paid in cash).

On December 29, 2022, the Company issued to directors 326,980 common shares valued at $24,524 for director's fees ($0.075 per share) in order to settle 90% of the director's fees payable for the three-month period ended October 31, 2022 (10% paid in cash).

7. Share purchase options and warrants:

(a) Share purchase options:

In November 2018, the shareholders of the Company approved a stock option plan (the “Plan”) whereby the Board of Directors may grant to directors, officers, employees and consultants of the Company, share purchase options to acquire common shares of the Company. Terms of each share purchase option is determined by the Board of Directors. Share purchase options granted pursuant to the Plan can also be subject to the vesting requirements and period determined by the Board of Directors.

The Plan provides that the maximum number of common shares that may be reserved for issuance under the Plan shall be equal to 6,743,433 common shares of the Company. The maximum number of common shares which may be for issuance at the grant of the share purchase options to any optionee may not exceed 5% of the outstanding common shares at the date of grant and may not exceed 2% of the outstanding common shares for consultants and investor relations representatives. These share purchase options will expire no later than ten years after being granted.

The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the date of grant.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

The changes to the number of outstanding share options granted by the Company and their weighted average exercise price are as follows:

		April 30 2023		January 31 2023
	Number of outstanding share options	Weighted average exercise price	Number of outstanding share options	Weighted average exercise price
		$		$
Outstanding at beginning	3,830,000	0.34	5,005,385	0.37
Granted	1,000,000	0.10	835,000	0.17
Forfeited	-	-	(1,695,000)	0.33
Expired	(50,000)	0.29	(315,385)	0.54
Outstanding at end	4,780,000	0.29	3,830,000	0.34
Exercisable at end	3,580,002	0.34	3,313,334	0.35

(in Canadian dollars)

7. Share purchase options and warrants (continued):

(a) Share purchase options (continued):

The following table provides outstanding share options information as at April 30, 2023:

			Outstanding share options	
Expiry date	**Number of granted share options**	**Number of exercisable share options**	**Exercise price**	**Remaining life**
			$	**(years)**
December 12, 2023	670,000	670,000	0.61	0.6
March 15, 2024	60,000	60,000	0.17	0.9
June 20, 2024	300,000	300,000	0.34	1.1
July 11, 2024	650,000	650,000	0.35	1.2
February 17, 2025	465,000	465,000	0.28	1.8
July 24, 2025	50,000	50,000	0.27	2.2
October 26, 2025	235,000	235,000	0.23	2.5
February 19, 2026	666,667	666,667	0.29	2.8
March 22, 2026	1,000,000	-	0.10	2.9
June 11, 2026	150,000	100,000	0.30	3.1
March 15, 2027	533,333	383,335	0.17	3.9
	4,780,000	3,580,002	0.29	2.2

The options outstanding as at January 31, 2023 had an exercise price in the range of $0.17 to $0.61 and a weighted-average contractual life of 2.2 years.

The weighted average vesting period for the share options granted during the three-month period ended January 31, 2023 is 1.00 year (1.86 years for the year ended January 31, 2023).

The following table provides the weighted average fair value of options granted:

	April 30 2023	**January 31 2023**
	$	**$**
Weighted average fair value of options granted	$0.04	$0.09

The fair value of each option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	April 30 2023	**January 31 2023**
Weighted average expected dividend yield	0%	0%
Weighted average share price at grant date	$0.10	$0.27
Weighted average expected volatility	72.82%	82.16%
Weighted average risk-free interest rate	3.25%	0.62%
Weighted average exercise price at grant date	$0.09	$0.29
Weighted average expected life	3.0 years	4.6 years

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.

An amount of $14,631 of share-based compensation ($14,631 from granted and non vested share options) were accounted in the statement of loss and comprehensive loss for the three-month period April 30, 2023 ($13,158 for the three-month period ended April 30, 2022 ($45,198 from granted and non vested share options offset by a reversal of $32,040 from forfeited share options non vested)) and credited to contributed surplus. As at April 30, 2023, an amount of $39,259 ($11,590 for the year ended January 31, 2023) remains to be amortized until April 30, 2024 related to the grant of stock options not vested.

(in Canadian dollars)

7. Share purchase options and warrants (continued):

(b) Deferred share units ("DSUs"):

The changes to the number of outstanding DSUs granted by the Company are as follows:

	April 30 2023	January 31 2023
	Number of outstanding DSU	Number of outstanding DSU
Outstanding at beginning	528,014	333,490
Granted	118,750	194,524
Outstanding at end	646,764	528,014

The DSUs are payable in common shares of the Company and/or cash upon the holder ceasing to be a director, an officer, an employee or a consultant of the Company, as the case may be. During the three-month period ended April 30, 2023, the Company issued 118,750 DSUs with a fair value of $10,094 accounted for in the share-based compensation (194,524 DSUs were issued with a fair value of $15,268 during the year ended January 31, 2023).

(c) Brokers and intermediaries' options:

The changes to the number of outstanding brokers and intermediaries' options granted by the Company and their weighted average exercise price are as follows:

	April 30 2023		January 31 2023	
	Number of outstanding brokers and intermediaries' options	Weighted average exercise price	Number of outstanding brokers and intermediaries' options	Weighted average exercise price
		$		$
Outstanding at beginning	655,164	0.30	655,164	0.30
Outstanding at end	655,164	0.30	655,164	0.30

The following table provides outstanding brokers and intermediaries' options information as at April 30, 2023:

	Outstanding brokers and intermediaries' options		
Expiry date	Number of outstanding brokers and intermediaries' options	Exercise price	Remaining life
		$	(years)
May 3, 2023	431,164	0.30	-
May 5, 2023	216,000	0.30	-
May 18, 2023	8,000	0.30	-
	655,164	0.30	-

The brokers and intermediaries' options at January 31, 2023 had an exercise price of $0.30 and a contractual life of 0.3 years.

(in Canadian dollars)

8. Exploration and evaluation activities:

Exploration and evaluation expenses by nature are detailed as follows:

	April 30 2023	April 30 2022
	$	$
Exploration and evaluation activities:		
Assays	-	122,442
Drilling	-	1,181,938
Reporting	-	13,554
Resource estimate	13,694	54,025
Geology and geophysics	-	11,500
Metallurgy	-	348
Other evaluation and exploration expenses	16,917	61,255
Tax credit related to resources and mining tax credits	(5,254)	(620,687)
	25,357	824,375

Exploration and evaluation expenses per project can be detailed as follows:

	April 30 2023	April 30 2022
	$	$
Projects:		
Elmer East	451	807
Sakami	12,488	823,568
Kipawa-Zeus	12,418	-
	25,357	824,375

Sakami:

The Sakami project is wholly-owned by the Company, consists of one large contiguous block of 281 mineral claims (142.50 km^2) and includes the contiguous claims that were part of the project previously known as the project Apple (currently the Apple area). The project is located 90 km northwest of the Eleonore mine (operated by Newmont Corporation), 570 km north of Val-d'Or and 900 km northwest of Montreal. The project is subject to a NSR of 1% on certain claims and a NSR of 2% on 81 claims, half of which can be bought back for $1,000,000.

Cheechoo-Éléonore Trend:

The Cheechoo-Éléonore Trend project is wholly-owned by the Company and consists of 128 claims (66.26 km^2). The southeastern end of the project lies about 24 km northwest of the Éléonore mine, with a road access 14 km away.

Elmer East:

The Elmer East project is wholly-owned by the Company and consists of 889 claims (467 km^2). The project is located along trend from the recent Patwon Prospect gold discovery made by Azimut Exploration Inc. (“Azimut”) on its Elmer project located in the Eeyou Istchee James Bay territory, Quebec. The Elmer East project was acquired, by map designation, and includes the adjacent Annabelle block and the Opinaca Gold West block (505 claims, 266 km^2). The western part of the Elmer East project is contiguous to Azimut’s project. During the three-month period ended April 30, 2023, 40 claims have been abandoned.

Kipawa-Zeus:

The Company has a 68% interest in the Kipawa project, through the Kipawa rare earth Joint Venture, with Investissement Québec holding the remaining 32% interest. The Kipawa project is part of a group of 73 claims (43.03 km2) that form the Kipawa-Zeus project. The Zeus claims are outside of the Kipawa project, are wholly-owned by the Company. The project is located in the Témiscamingue region of Quebec, 140 km south of Rouyn-Noranda and 90 km northeast of North Bay, Ontario.

On August 9, 2021 and amended on February 4,2022, the Company entered into a Binding Term Sheet with Vital Metals Limited ("Vital") for the acquisition by Vital of the Company's 68% interest in the Kipawa rare earth project and 100% of the Zeus Rare Earth project in Quebec, Canada, for $8 million, subject to certain closing conditions.

In October 2022, Vital informed the Company that it will not proceed with the acquisition. Accordingly, the Company received a payment of $1,013,124 ($1,000,000 and interest of $13,124) under the terms of the Binding Term Sheet as transaction termination fee.

(in Canadian dollars)

8. Exploration and evaluation activities (continued):

Non-core assets:

Matheson:

The Company holds a 50% interest in four non-contiguous blocks totalling 41 single-cell mining claims, four patented claims (surface and mining rights) and three leases (surface and mining rights) totalling 12.77 km^2 held in the Matheson Joint Venture project (“Matheson Project”), located 24 km from downtown Timmins, Ontario.

Blanche-Charles (no longer held):

On November 10, 2022, the Company sold its 100% interest in the Blanche-Charles property to Champion Electric Metals Inc (formerly Idaho Champion Mines Canada Inc.) in exchange for a cash consideration of $100,000 and 12,000,000 common shares having a fair value of $480,000. The consideration received amounting to $580,000 was recorded as a gain on disposal of mining projects in the statement of loss and comprehensive loss.

As a result, the Company retains a 2% NSR of which Champion Electric Metals Inc. may repurchase 1% of the NSR for consideration of $1,000,000 payable in cash or by issuance of shares or a combination of cash and shares at any time.

Vulcain (no longer held):

The Vulcain project consists of 68 claims (40.05 km^2) located in Haute-Gatineau.

On December 7, 2020, the Company entered into an option agreement with Fjordland Exploration Inc. (“FEX”) whereby FEX may earn 100% interest of the Vulcain project.

To earn its 100% interest as per the option agreement, FEX has to make cash payments, issue common shares and incur exploration expenses in the following timelines:

	Cash payments	Issuance of Shares	Exploration expenses to incur
	$		$
Within 3 days of the reception of the approval of the TSX-V	50,000 (1)	1,000,000 (2)	-
On or before December 7, 2025	-	-	1,000,000 (3)
	50,000	1,000,000	1,000,000

(1) This cash payment was made on December 22, 2020.
(2) These common shares were issued on December 18, 2020 at a price of $0.095 per share.
(3) Exploration expenses were all incurred as at July 16, 2022.

As a result, the Company retains a 1% NSR of which FEX may repurchase 0.5% of the NSR for consideration of $500,000 and the remaining 0.5% for $2,500,000. FEX is also assuming the 2% pre-existing NSR royalty to underlying parties.

FEX held 100% of the project since July 16, 2022.

9. Earnings per share:

The warrants, share purchase options and DSUs were excluded from the diluted weighted average number of common shares calculation since the Company is operating at a loss and that their effect would have been antidilutive. Details of share purchase options, warrants and DSUs issued that could potentially dilute earnings per share in the future are given in Note 7.

Both the basic and diluted loss per share have been calculated using the net loss as the numerator, i.e. no adjustment to the net loss was necessary for the three-month periods ended April 30, 2023 and 2022.

10. Supplemental cash flow information:

The Company entered into the following transactions which had no impact on the cash flows:

	April 30 2023	April 30 2022
	$	$
Non-cash financing activities:		
Shares issued as payment of director's fees	18,246	-

(in Canadian dollars)

11. Related party transactions:

Related parties include the Company's joint key management personnel and members of the Board of Directors. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel and directors includes the following expenses:

	April 30 2023	April 30 2022
	$	$
Management and consulting fees	17,250	17,250
Salaries and director's fees	60,048	106,696
Share-based compensation	13,933	35,195
	91,231	159,141

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

12. Contingent liabilities::

The Company’s operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to identify, in terms of level, impact or deadline. At the present time and to the best knowledge of its management, the Company is in compliance with the laws and regulations. Any additional payment to liability already recorded that results from restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at that time.

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. The disallowance of certain expenses by tax authorities may have negative tax consequences for investors. In the case the Company does not incur the required qualifying Canadian mineral exploration expenses as originally contemplated in its flow-through private placements, the Company has contractually agreed to indemnify the purchasers of such flow-through securities to compensate for adverse tax consequences they might incur.

13. Financial assets and liabilities:

The carrying amount and fair value of financial instruments presented in the statements of financial position related to the following classes of assets and liabilities:

		April 30 2023		January 31 2023
	Carrying amount	Fair value	Carrying amount	Fair value
	$	$	$	$
Financial assets				
Fair value through profit or loss (FVTPL)				
Marketable securities - Equities	1,366,069	1,366,069	1,151,913	1,151,913
	1,366,069	1,366,069	1,151,913	1,151,913
Financial assets				
Amortized cost				
Cash	194,869	194,869	262,706	262,706
Other receivables	1,411	1,411	2,245	2,245
	196,280	196,280	264,951	264,951
Financial liabilities				
Amortized cost				
Trade accounts payable and other liabilities	113,869	113,869	72,037	72,037
Loan	40,000	40,000	40,000	40,000
	153,869	153,869	112,037	112,037

The fair values of the marketable securities totalize $1,366,069 as at April 30, 2023 ($1,151,913 as at January 31, 2023) and are determined by using the closing price at each reporting date.

(in Canadian dollars)

13. Financial assets and liabilities (continued):

The fair value of cash, other receivables, trade accounts payable and other liabilities and loan is comparable to its carrying amount given the short period to maturity, i.e. the time value of money is not significant.

The following hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities:

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

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. Marketable securities are classified as Level 1 in the fair value hierarchy.

14. Capital management policies and procedures:

The Company considers the items included in equity as capital components.

	April 30 2023	**January 31 2023**
	$	**$**
Equity	2,144,497	2,180,681
	2,144,497	2,180,681

The Company's capital management objective is to have sufficient capital to be able to meet its exploration and mining development plan in order to ensure the growth of its activities. It also has the objective of having sufficient cash to finance its exploration and evaluation expenses, investing activities and working capital requirements. No changes were made in the objectives, policies and processes for managing capital during the reporting periods. The Company has no dividend policy.

The Company is subject to tax requirements related to the use of funds obtained by flow-through share financing. These funds must be incurred for eligible exploration expenses.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placements;
- One year after the Company has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities could have a negative tax impact for investors.

15. Financial instrument risks:

The Company is exposed to various risks in relation to financial instruments. The main types of risks the Company is exposed to are credit risk, liquidity risk, price risk and interest risk.

The Company manages risks in close cooperation with the board of directors. The Company focuses on actively securing short-term to medium-term cash flows by minimizing the exposure to financial markets.

(a) Credit risk:

Credit risk is the risk that another party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation.

The Company is exposed to credit risk with respect to its cash and other receivables for an amount of $196,280 as at April 30, 2023 ($264,951 as at January 31, 2023). The credit risk associated with cash is minimal, as cash is placed with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has sufficient financing sources. The Company establishes budgets to ensure it has the necessary funds to fulfill its obligations.

(in Canadian dollars)

15. Financial instrument risks (continued):

(b) Liquidity risk (continued):

In previous years, the Company financed its acquisitions of mining rights, exploration and evaluation expenses and working capital needs through private financings consisting of issuance of common shares and flow-through shares, and by optioning some of its mining projects. Management estimates that the cash as at April 30, 2023 will not be sufficient to meet the Company's needs during the coming year (see Note 1).

Contractual maturities of financial liabilities are as follows:

				April 30 2023
	Less than 1 year	**1-5 years**	**More than 5 years**	**$ Total**
	$	$	$	$
Trade accounts payable and other liabilities	113,869	-	-	113,869
Loan	40,000	-	-	40,000

				January 31 2023
	Less than 1 year	**1-5 years**	**More than 5 years**	**$ Total**
	$	$	$	$
Trade accounts payable and other liabilities	72,037	-	-	72,037
Loan	40,000	-	-	40,000

(c) Price risk:

The Company is exposed to fluctuations in the market prices of its marketable securities in quoted mining exploration companies. The fair value of the marketable securities represents the maximum exposure to price risk. For the marketable securities in quoted mining exploration companies, a weighted average volatility of 144.07% has been observed during the three-month period ended April 30, 2023 (86.40% for the year ended January 31, 2023).

This volatility figure is considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If quoted stock price for these securities had increased as per the volatility, profit and loss would have changed by a weighted average markup of $1,968,033 as at April 30, 2023 (weighted average markup of $995,260 as at January 31, 2023) or if quoted stock price for these securities had decreased as per the volatility, profit and loss would have changed by a weighted average markdown of $1,356,396 at April 30, 2023 ($981,597 as at January 31, 2023).

(d) Interest risk:

Interest rate risk represents the risk that the fair value or future cash flows of financial instruments fluctuates because of changes in market interest rates. The Company’s exposure to cash flow risk related to the interest rate of its loan is limited since it does not bear interest.

16. Subsequent events:

On May 5, 2023, the Company issued 79,167 deferred stock units to an officer.

On May 18, 2023, the Company issued to directors 162,188 common shares valued at $13,786 for director's fees ($0.085 per share) in order to settle 90% of the director's fees payable for the three-month period ended April 30, 2023 (10% paid in cash).