NORTHERN LIGHTS RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

JANUARY 31, 2023

Head Office
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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

NORTHERN LIGHTS RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
AS AT,

	January 31, 2023	April 30 2022
ASSETS		
Current		
Cash	$ 63,429	$ 24,412
Receivables	17,307	4,200
Prepaid expenses	64,316	25,250
Marketable securities (Note 3)	2,220,000	-
	2,365,052	53,862
Exploration and evaluation assets (Note 4)	2,077,481	2,676,090
	$ 4,442,533	$ 2,729,952
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 5 and 8)	$ 407,328	$ 263,292
Convertible securities (Note 6)	370,524	788,088
	777,852	1,051,380
Shareholders' equity		
Share capital (Note 7)	9,138,759	8,389,685
Share-based payment reserve (Note 7)	1,183,498	1,183,498
Subscriptions receivable (Note 7)	(34,930)	(34,930)
Deficit	(6,622,646)	(7,859,681)
	3,664,681	1,678,572
	$ 4,442,533	$ 2,729,952

Nature and continuance of operations (Note 1)

On behalf of the Board:

"Albert (Rick) Timcke" Director

"Jason Bahnsen" Director

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

NORTHERN LIGHTS RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three months period ended January 31, 2023	Three months period ended January 31, 2022	Nine months period ended January 31, 2023	Nine months period ended January 31, 2022
EXPENSES				
Consulting fees	$ 21,933	$ 14,650	$ 21,933	$ 14,650
Filing and regulatory fees	8,384	13,481	47,475	41,023
Foreign exchange	738	(15,866)	4,734	(41,581)
Gain on sale of exploration and evaluation assets (Note 4)	(1,702,114)	-	(1,702,114)	-
Interest expenses	-	59,659	-	156,280
Loss (gain) on fair value of convertible securities (Note 6)	(8,531)	-	60,200	-
Loss on debt settlement (Note 5)	3,810	-	3,810	-
Management fees (Note 8)	45,000	45,000	135,000	135,000
Office and miscellaneous	12,001	15,018	23,765	42,022
Professional fees (Note 8)	14,700	9,850	50,352	38,690
Promotion and advertisement	76,450	37,263	145,804	147,202
Share-based compensation (Notes 7 and 8)	-	5,678	-	50,105
Travel and accommodation	318	5,827	2,006	11,492
Unrealized gain on marketable securities (Note 3)	(30,000)	-	(30,000)	-
Income (loss) and comprehensive income (loss) for the period	$ 1,557,311	$ (190,560)	$ 1,237,035	$ (594,883)
Basic and diluted income (loss) per common share	$ 0.05	$ (0.00)	$ 0.09	$ (0.01)
Weighted average number of common shares outstanding	28,445,144	11,321,380	13,423,171	10,829,540

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

NORTHERN LIGHTS RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Subscriptions	Reserves	Deficit	Convertible security – equity portion	Total Shareholder’s Equity
Balance, April 30, 2021	**10,827,070**	**$ 7,729,758**	**$ (34,930)**	**$ 983,993**	**$ (6,698,090)**	**$ -**	**$ 1,980,731**
Convertible securities	-	-	-	-	-	143,111	143,111
Convertible securities – transaction costs	312,274	187,365	-	149,400	-	-	336,765
Convertible securities – converted	180,000	108,000	-	-	-	(24,560)	83,440
Share-based payments	-	-	-	50,105	-	-	50,105
Exploration and evaluation assets	187,348	46,837	-	-	-	-	46,837
Net loss for the period	-	-	-	-	(594,883)	-	(594,883)
Balance, January 31, 2022	11,506,692	8,071,960	(34,930)	1,183,498	(7,292,973)	118,551	2,046,106
						-	
Convertible securities – converted	1,806,289	317,725	-	-	-	(118,551)	199,174
Net loss for the period	-	-	-	-	(566,708)	-	(566,708)
Balance, April 30, 2022	13,312,981	8,389,685	(34,930)	1,183,498	(7,859,681)	-	1,678,572
						-	
Private placement	4,550,000	227,500	-	-	-	-	227,500
Shares for debt settlement	952,381	23,810	-	-	-	-	23,810
Exploration and evaluation assets	800,000	20,000	-	-	-	-	20,000
Convertible securities – converted	24,043,342	477,764	-	-	-	-	477,764
Net income for the period	-	-	-	-	1,237,035	-	1,237,035
Balance, January 31, 2023	**43,658,704**	**$ 9,138,759**	**$ (34,930)**	**$ 1,183,498**	**$ (6,622,646)**	**$ -**	**$ 3,664,681**

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

NORTHERN LIGHTS RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

For the nine months ended January 31,	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the period	$ 1,237,035	$ (594,883)
Non-cash items:		
Loss on fair value of convertible securities	60,200	-
Unrealized gain on marketable securities	(30,000)	-
Share-based compensation	-	50,105
Gain on settlement of debt	3,810	-
Accretion interest on convertible security	-	156,280
Gain on sale of exploration and evaluation expenditures	(1,702,114)	-
Changes in non-cash working capital items:		
Receivables	(13,107)	13,894
Prepaid expenses	(39,066)	22,685
Accounts payable and accrued liabilities	164,366	24,846
Net cash used in operating activities	(318,876)	(327,073)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(5,179)	(994,358)
Cash received on sale of exploration and evaluation asset	135,572	-
Net cash provided (used) in investing activities	130,393	(994,358)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	227,500	-
Proceeds from convertible debenture	-	966,089
Net cash provided by financing activities	227,500	966,089
Change in cash for the period	39,017	(355,342)
Cash, beginning of period	24,412	427,820
Cash, end of period	$ 63,429	$ 72,478

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS		
Convertible securities – transaction costs	$ -	$ 479,876
Convertible securities converted	$ 477,764	$ 108,000
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ 38,609	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Northern Lights Resources Corp. (the "Company") was incorporated under the laws of British Columbia on March 28, 2007. The Company's principal business activities include the acquisition and exploration of resource properties. On June 28, 2012, the Company completed its initial public offering ("IPO") by way of prospectus, and a listing on the Canadian Securities Exchange ("CSE"). On February 1, 2021 the Company received DTC and Blue Sky clearance trading on the OTC QB under the symbol "NLRCF".

On May 26, 2022, the Company consolidated its common shares on a ten for one basis. These condensed interim consolidated financial statements reflect the share consolidation on a retrospective basis.

The Company has incurred losses since inception and will require additional funds to maintain its activities for the upcoming fiscal year. The Company's ability to continue as a going concern is therefore dependent on its ability to raise additional funds through equity issuances. These events and conditions suggest a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements have been prepared 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. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been recorded at fair value. The condensed interim consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

These condensed interim consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

The policies applied in these condensed interim consolidated financial statements are presented below and are based on IFRS issued and outstanding as of January 31, 2023. Any subsequent changes to IFRS that are given effect in our annual consolidated financial statements for the year ending April 30, 2023 could result in restatements of these condensed interim consolidated financial statements. None of these standards are expected to have a significant effect on the condensed interim consolidated financial statement.

The Board of Directors approved these condensed interim consolidated financial statements on March 31, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Secret Pass LLC, a company incorporated under the laws of Arizona, USA, and Rudy Valley Minerals LLC, a company incorporated under the laws of Nevada. At January 31, 2023, the principal activity of the Company's subsidiaries was that of holding companies. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if and only if the Company has all the following: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns. All inter-company transactions and balances have been eliminated upon consolidation.

Estimates and judgments

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. Estimates and assumptions are continually 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. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

<u>Significant Judgments</u>

a. Economic recoverability and probability of future benefits of exploration and evaluation costs

   Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

b. Deferred taxes

   The Company recognizes the deferred tax benefit related to deferred and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred and resource tax assets.

c. Convertible securities

   The Company has issued convertible securities as described in Note 6. The accounting for convertible securities, a complex compound financial instrument, requires the Company to determine the classification of the component parts of the convertible securities, which requires significant judgment on whether there are components of equity, liabilities or embedded derivatives.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Estimates and judgments (cont'd…)

d. Functional currency

Judgment was applied in determining the functional currency of the Company and each of its subsidiaries after considering the primary economic environment in which the Company undertakes its financing activities, retains funds and the currency that influences exploration and administration costs.

Significant Estimates

a. Share-based payments

Share-based payments are measured using the Black-Scholes option pricing model based on the estimated fair value of the share-based awards at the date of grant and is expensed to profit or loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standard ("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, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date 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 reflected in profit or loss for the period.

Loss per share

The Company computes the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Basic loss per common share is calculated using the weighted average number of common shares outstanding during the period.

Exploration and evaluation assets

Upon acquiring the legal right to explore an exploration and evaluation asset, costs related to acquisition, exploration and evaluation are capitalized by property. The capitalized costs are presented as either tangible, or intangible exploration and evaluation assets according to the nature of the assets acquired. Expenses related to exploration and evaluation include topographical, geological, geochemical, and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less tax credits related to these expenses and any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Exploration and evaluation assets (Cont'd…)

If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their recoverable amount.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets.

If payments received exceed the capitalized cost the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

Impairment

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 of disposal 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 the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Convertible securities

The Company's convertible securities are segregated into their debt and equity components or derivative liability components at the date of issue, in accordance with the substance of the contractual agreements.

The conversion feature of the convertible securities is presumed to be classified as a derivative financial liability unless it meets all the criteria to recognize as equity instrument. One of criteria is that the conversion option exchanges a fixed amount of shares for a fixed amount of cash ("fixed for fixed"). If the conversion feature meets the fixed for fixed criteria, the conversion option will be classified as equity. The Company has convertible securities which are classified entirely as liabilities because they were issued in a currency other than the functional currency of the Company. As the instrument contains an embedded derivative, it has been designated as at fair value through profit or loss on initial recognition and as such the embedded conversion feature is not separated. All transaction costs related to financial instruments designated as at fair value through profit or loss are expensed as incurred. The component of fair value changes relating to the Company's own credit risk is recognized in other comprehensive income. Amounts recorded in OCI related to credit risk are not subject to recycling in profit or loss, but are transferred to retained earnings when realized. Fair value changes relating to market risk are recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital, and the fair value of the options exercised is transferred from share-based payment reserve to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; nor 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.

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.

Financial instruments

Financial assets and financial liabilities are recognized on the condensed interim consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (Cont'd…)

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or 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 if the Company has opted to measure them at FVTPL.

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.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial Instruments (Cont'd…)

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.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or liability	Category	Measurement
Cash	FVTPL	Fair value
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Convertible securities	FVTPL	Fair value

3. Marketable securities

During the period ended January 31, 2023, the Company received 6,000,000 shares (valued at $2,190,000) of Reyna Silver Corp. ("Reyna Silver") as consideration for Medicine Springs Property and recorded an unrealized gain of $30,000 from changes in the fair value (Note 4).

	Common shares		Total
Reyna Silver Corp.			
As of April 30, 2022	-	$	-
Addition	6,000,000		2,190,000
Unrealized gain on revaluation	-		30,000
As of January 31, 2023	**6,000,000**	**$**	**2,220,000**

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

		Secret Pass		Medicine Springs		Total
Acquisition Costs:						
Balance at April 30, 2021	$	615,049	$	325,275	$	940,324
Common shares		-		46,837		46,837
Balance at April 30, 2022		615,049		372,112		987,161
Addition - cash		730		-		730
Cost recovery		-		(372,112)		(372,112)
Balance at January 31, 2023	$	615,779	$	-	$	615,779
Exploration Costs:						
Balance at April 30, 2021	$	440,121	$	231,345	$	671,466
Assay		95,755		-		95,755
Consulting		49,203		-		49,203
Drilling		443,136		-		443,136
Field work		429,369		-		429,369
Balance at April 30, 2022		1,457,584		231,345		1,688,929
Assay		194		-		194
Field work		3,924		-		3,924
Cost recovery		-		(231,345)		(231,345)
Balance at January 31, 2023	$	1,461,702	$	-	$	1,461,702
Balance at April 30, 2022	**$**	**2,072,633**	**$**	**603,457**	**$**	**2,676,090**
Balance at January 31, 2023	**$**	**2,077,481**	**$**	**-**	**$**	**2,077,481**

Medicine Springs

The Company entered into a mineral property option agreement dated August 20, 2017, and amended, to acquire 100% of the property in southeastern Elko County, Nevada.

The Medicine Springs property located on the eastern edge of the Carlin Trend in southeastern Elko County, consists of 149 unpatented Federal mineral claims.

The option agreement is a 6 phase exploration agreement. Completion of all of the phases under the agreement is subject to staged cash payments of USD $950,000, equity consideration of USD $250,000 and incurring exploration expenditures of USD $2,700,000. The agreement was amended in July 2020 to extend certain due dates.

The Company has the option to proceed with each subsequent Phase in the option agreement upon the completion of all cash and equity consideration payments to the vendors in addition to meeting the minimum exploration expenditure payments defined for each phase of the option agreement.

4. EXPLORATION AND EVALUATION ASSETS (Cont'd…)

Medicine Springs (cont'd…)

i) Cash payments
   a) Phase 1B - USD $25,000 within 30 days of receipt of regulatory approval (paid).
   b) Phase 2 - USD $50,000 by December 31, 2020 ("Phase 2 Commencement Date") (paid).
   c) Phase 3 - USD $100,000 by December 31, 2021 ("Phase 3 Commencement Date") (below – paid by joint venture partner).
   d) Phase 4 - USD $150,000 within 30 days of completion of all Phase 3 requirements ("Phase 4 Commencement Date").
   e) Phase 5 - USD $200,000 within 30 days of completion of all Phase 4 requirements ("Phase 5 Commencement Date").
   f) Phase 6 - USD $425,000 within 30 days of completion of all Phase 5 requirements ("Phase 6 Commencement Date").

ii) Share issuance
   a) Phase 2 - issuance of common shares with a value of USD $50,000 by December 31, 2020 (issued 133,065 common shares fair valued at $33,266).
   b) Phase 3 - issuance of common shares with a value of USD $50,000 by December 31, 2021 (issued 187,348 common shares fair valued at $46,837).
   c) Phase 4 - issuance of common shares with a value of USD $50,000 after the Phase 4 Commencement Date.
   d) Phase 5 - issuance of common shares with a value of USD $50,000 after the Phase 5 Commencement Date.
   e) Phase 6 - issuance of common shares with a value of USD $50,000 after the Phase 6 Commencement Date.

iii) Exploration expenditures
   a) incur USD $25,000 in exploration upon execution of the agreement (incurred).
   b) Phase 1B - incur USD $225,000 by December 31, 2020 (incurred).
   c) Phase 2 - incur USD $300,000 by December 31, 2022 (below – assumed by joint venture partner).
   d) Phase 3 - incur USD $400,000 by December 31, 2022 (below – assumed by joint venture partner).
   e) Phase 4 - incur USD $500,000 within 1 year of the Phase 4 Commencement Date.
   f) Phase 5 - incur USD $500,000 within 1 year of the Phase 5 Commencement Date.
   g) Phase 6 - incur USD $750,000 within 1 year of the Phase 6 Commencement Date.

In addition, the property owner will retain a 2.5% NSR. The Company has the option to purchase back 1.5% of the NSR for USD $3,000,000 on a portion of the mineral claims (126/149) and USD $1,000,000 on a portion of the mineral claims (23/149). The royalty to the project vendors is in addition to a further 0.5% royalty over a portion of the mineral claims (23/149).

The Company entered into a property option and joint venture agreement dated September 24, 2020 with Reyna Silver Corp. ("Reyna Silver").

Under the terms of the agreement, Reyna Silver can earn a 75% interest in the Medicine Springs property by assuming and satisfying certain of the Company's commitments in the underlying option agreement on or before December 31, 2023, as follows:

a) USD $875,000
b) incur exploration expenditures of USD $2,450,000 by December 31, 2023.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Medicine Springs (cont'd…)

On December 14, 2022, the Company entered to an agreement with Reyna Silver for the remaining 25% interest in the Medicine Springs.

In consideration of the 25% interest in Medicine Spring, Reyna Silver will make these considerations as follows:

a) cash payment of USD $100,000 (paid).
b) 6,000,000 common shares of Reyna Silver (received), which will be subjected to contractual resale restriction over a twenty-four month period, of which will be released 25% every six month period.
c) 1% NSR royalty over Medicine Springs Project licenses. The royalty to the Company will not become effective until Reyna Silver has completed all the obligations in the Medicine Springs underlying option agreement, and owns 100% interest of the project. Reyna Silver retains the right to purchase 0.5% NSR Royalty for a cash consideration of USD $2,500,000 at any time in the future.

The Company issued 800,000 common shares (valued at $20,000) as finders' fee.

During the period ended January 31, 2023, the Company recognized a gain of $1,702,114 pursuant to the sale of Medicine Springs.

Secret Pass Gold Project

During the year ended April 30, 2020, the Company entered into an option agreement, subsequently amended, to acquire a 100% interest in the Secret Pass Gold Project located in northwestern Arizona.

Pursuant to the option agreement, the Company made the following consideration payments and therefore, acquired 100% interest in the Secret Pass Gold Project.

a) within 5 working days following the exercise of the option, the Company will pay cash consideration of USD $75,000 (paid);
b) within 30 days following the exercise of the option, the Company will issue 200,000 common shares (issued and valued at $80,000); and
c) under the terms of the agreement, the Company will make the following additional payments:
    i) USD $175,000 on or before September 20, 2019 (paid); and
    ii) USD $125,000 on or before November 8, 2019 (paid).

There are no third-party royalties payable on future production from the project.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2023	April 30, 2022
Trade payables	$ 331,878	$ 178,392
Accrued liabilities	75,450	84,900
	$ 407,328	$ 263,292

During the period ended January 31, 2023, the Company issued 952,381 common shares in consideration for outstanding amount of $20,000, which resulted a loss of $3,810 (Note 7).

6. CONVERTIBLE SECURITIES

On June 4, 2021, the Company issued unsecured zero-coupon non-redeemable convertible securities in the principal amount of $1,075,476 (USD $890,000) for a purchase price of $966,089 (USD $800,000). The securities are zero coupon or interest and mature two years from the date of issuance. The holder can convert, at any point in time, the securities into common shares at a price of $0.06 per share ("Conversion Price").

In the event that the prevailing share price, at the time of a conversion is greater than the Conversion Price, the Company may elect to reduce the number of common shares issuable in that conversion by utilizing the prevailing share price as the conversion price instead of the Conversion Price. The "prevailing share price" will be determined by the investor as 85% of the average of five daily volume-weighted average prices of the common shares on the Canadian Stock Exchange ("CSE") during 20 consecutive trading days immediately prior to the date of the notice of conversion, rounded down to one tenth of a cent if the prevailing share price is less than $0.20, or half a cent if the prevailing share price is greater than $0.20.

Alternatively, in the event that the prevailing share price is less than the Conversion Price, the conversion will occur at the Conversion Price, and the Company will pay the investor an amount equal to the value of shares foregone as a result of the conversion price being the Conversion Price rather than the prevailing share price. The Company may elect to make this payment in common shares in lieu of cash, in its sole discretion.

The Company will have a cash repayment right in relation to any conversion so that, instead of issuing conversion shares, the Company may, at its option, make a payment to the holder equal to the number of common shares that would have otherwise been issued in the conversion multiplied by the greater of the Conversion Price, the prevailing Share price, and the market value of the shares at that time.

The settlement of the convertible securities requires the issuance of shares that will equal USD $890,000 of the principal amount of the debt. As a result, the settlement will result in a variable number of shares and the instrument is a financial liability even though it will be settled by the delivery of common shares and there is no contractual obligation to repay the securities in cash. In addition, the convertible securities are denominated in a currency (USD) that is different from the Company's functional currency (CAD) and therefore the instrument has an embedded derivative. Accordingly, the Company has elected to measure the entire instrument at FVTPL and has calculated an initial fair value of $1,075,476 (USD $890,000).

In connection with the convertible securities, the Company incurred transaction costs of $446,152, recorded as expenses in profit or loss, and inclusive of the following:

- $109,387 (USD $90,000) discount on issuance;
- Issuance of 312,274 common shares (fair valued at $187,365); and
- Issuance of 280,000 broker's warrants (fair valued at $149,400).

Inputs used to calculate the fair value of the 280,000 broker's warrants were a share price of $0.06, expected life of 4 years, volatility of 221% and a discount rate of 0.75%. Each broker's warrant entitles the holder to purchase one common share exercisable at the price of $0.68509 until June 4, 2025.

In accordance with the agreement, on June 4, 2021, the Company issued to the holder 180,000 common shares with a fair value of $108,000. These common shares will be counted towards any future conversions.

During the year ended April 30, 2022, the Company received notice to settle $317,725 (USD $250,000) of the principal through conversion exercise and issued 1,806,289 common shares.

(Expressed in Canadian Dollars)

6. CONVERTIBLE SECURITIES (Cont'd…)

During the period ended January 31, 2023, the Company received notice to settle $477,764 (USD $330,000) of the principal through conversion exercise and issued 24,043,342 common shares.

As at January 31, 2023, the fair value of the convertible securities was $370,524, which resulted in a change in fair value of $60,200 that was recognized in profit or loss.

		Total
Balance April 30, 2021	$	-
Issuance of convertible securities		1,075,476
Adjustment for 180,000 common shares issued in advance of conversion		(108,000)
Conversion of 1,806,289 common shares		(317,725)
Change in fair value of convertible securities		138,337
Balance April 30, 2022		788,088
Conversion of 24,043,342 common shares		(477,764)
Change in fair value of convertible securities		60,200
Balance January 31, 2023	$	370,524

7. SHARE CAPITAL

Authorized: Unlimited common shares, without par value

During the period ended January 31, 2023, the Company:

i) issued 24,043,342 common shares fair valued at $477,764 pursuant to the convertible securities (Note 6).

ii) closed a private placement of 4,550,000 common shares and 3,150,000 warrants for gross proceeds of $227,500. Each warrant is exercisable into one common share at a price of $0.10 per share until July 27, 2024.

iii) issued 952,381 common shares valued at $23,810 pursuant to settlement of debt (Note 5).

iv) issued 800,000 common shares valued at $20,000 pursuant to finders' fee of the sale of the Medicine Spring Project (Note 4).

During the year ended April 30, 2022, the Company:

i) issued 312,274 common shares fair valued at $187,365 as transaction costs for the convertible securities.

ii) issued 1,986,289 common shares fair valued at $425,725 pursuant to the convertible securities (Note 6).

iii) issued 187,348 common shares fair valued at $46,837 pursuant to the option payment of the Medicine Spring Project (Note 4).

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd…)

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the then issued and outstanding common stock of the Company. Under the plan, the exercise price of each option will not be less than the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years.

A summary of changes in stock options is as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding as at April 30, 2021	895,407	$	0.70
Outstanding as at April 30, 2022 and January 31, 2023	895,407	$	0.70

As at January 31, 2023, the following options were outstanding and exercisable:

Number of Options	Exercise Price		Expiry Date	Exercisable
255,000	$	1.00	November 7, 2023	255,000
390,407	$	0.50	July 23, 2025	390,407
200,000	$	0.70	December 10, 2025	200,000
50,000	$	0.70	January 13, 2026	50,000
895,407				895,407

Stock options issued are included in the share-based payment reserve.

Warrants

A summary of changes in warrants is as follows:

	Number of Warrants		Weighted Average Exercise Price
Outstanding as at April 30, 2021	6,192,178	$	0.80
Granted	280,000		0.69
Outstanding as at April 30, 2022	6,472,178		0.75
Granted	3,150,000		0.10
Outstanding as at January 31, 2023	9,622,178	$	0.54

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd…)

Warrants (cont'd…)

Warrants issued and classified as equity are included in the Share-based payment reserve. As at January 31, 2023, the following warrants were outstanding and exercisable:

Number of Warrants	Exercise Price		Expiry Date
342,000	$	0.75	July 4, 2024
3,150,000	$	0.10	July 27, 2024
1,262,777	$	0.75	January 22, 2025
280,000	$	0.685	June 4, 2025
4,373,001	$	0.75	August 19, 2025
214,400	$	0.75	August 19, 2025
9,622,178			

8. TRANSACTIONS WITH RELATED PARTIES

The Company defines key management personnel as officers and directors. During the period ended January 31, 2023, the Company:

i) paid or accrued management fees of $67,500 (2022 - $67,500) to a director of the Company.

ii) paid or accrued management fees of $67,500 (2022 - $67,500) to the Chief Executive Officer ("CEO") of the Company.

iii) paid or accrued professional fees of $9,000 (2022 - $9,000) to the Chief Financial Officer ("CFO") of the Company.

iv) recorded share-based compensation of $Nil (2022 - $3,558) related to options granted to officers and directors of the Company.

Included in accounts payable and accrued liabilities as at January 31, 2023 is $118,125 (April 30, 2022 - $43,243) owed to officers of the Company.

Included in prepaid expenses as at January 31, 2023 is $5,567 (April 30, 2022 - $11,320) advanced to an officer and a director of the Company.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has applied a three-level hierarchy to reflect the significance of the inputs used in making fair value measurements. The three levels of fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and convertible securities. The fair value of these financial instruments, other than cash, and convertible securities approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs. Convertible securities are measured using level 2 inputs as it uses observable inputs other than quoted prices included within level 1.

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

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A portion of the Company's expenses are denominated in US dollars. As the Company's functional and presentation currency is the Canadian dollar, the Company is exposed to risk from changes in the US dollar exchange rate.

At January 31, 2023, the Company had Canadian dollar equivalent cash of $63,429 (April 30, 2022 - $24,412), accounts payable and accrued liabilities of $407,328 (April 30, 2022 - $263,292), and convertible securities of $370,524 (April 30, 2022 - $788,088) which were denominated in US dollars.

Sensitivity Analysis
Management has completed a sensitivity analysis to estimate the impact on profit or loss for the period which a change in foreign exchange rates during the period ended January 31, 2023 and 2022 would have had. At January 31, 2023, the Company is exposed to nominal foreign currency risk.

b) Credit risk

Credit risk is the risk of financial loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high-quality financial institution.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd…)

d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure it has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements, option exercises and warrant exercises to meet its working capital requirements, after taking into account existing cash and expected exercise of share purchase warrants and options. Management believes that it will be successful in raising the necessary funds however, given the current market conditions, management believes that the raising of the required funds will take longer than is normal and will be at prices that may be less than desirable. There are no assurances that additional funds will be available on terms acceptable to the Company or at all. The Company does not have significant liquidity risk as all of its financial liabilities are current in nature.

e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to material price risk at January 31, 2023.

10. CAPITAL MANAGEMENT

The Company defines capital that it manages as its shareholders' equity, which totaled $3,664,681 as at January 31, 2023 (April 30, 2022 - $1,678,572). When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company did not change its approach to capital management during the period ended January 31, 2023.

11. SEGMENTED INFORMATION

The Company's primary business activity is the acquisition and exploration of exploration and evaluation assets. Geographic information is as follows:

	January 31, 2023	April 30, 2022
Exploration and evaluation assets		
United States	$ 2,077,481	$ 2,676,090