PORTOFINO RESOURCES INC.

FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED

FEBRUARY 28, 2023 AND 2022

(Expressed in Canadian dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with 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 an auditor has not reviewed the financial statements.

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

These condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

PORTOFINO RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION
AS AT FEBRURY 28, 2023 AND 2022
(Expressed in Canadian dollars)
(Unaudited)

	Note	February 28, 2023	July 31, 2021
		$	$
ASSETS			
CURRENT			
Cash		125,246	155,663
Amounts receivable	7	38,027	-
Taxes receivable		19,212	48,761
Marketable securities	7	150,000	-
Prepaid expenses		258,400	72,587
		590,885	277,011
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	7	201,778	149,080
EQUITY			
SHARE CAPITAL	6	9,901,934	8,998,466
CONTRIBUTED SURPLUS	6	1,171,498	1,164,618
SHARE SUBSCRIPTIONS	6	580,500	-
DEFICIT		(11,264,825)	(10,035,153)
		389,107	127,931
		590,885	277,011

NATURE OF BUSINESS AND GOING CONCERN (Note 1)

SUBSEQUENT EVENTS (Note 10)

Approved and authorized for issue on behalf of the Board on April 26, 2023

/s/ "David Tafel" CEO *"/s/ "Jeremy Wright"* CFO

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

PORTOFINO RESOURCES INC.
STATEMENTS OF COMPREHENSIVE LOSS
FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2023 AND 2022
(Expressed in Canadian dollars)
Unaudited

		Three-month ended		Nine-month ended	
	Note	**February 28, 2023**	**February 28, 2022**	**February 28, 2023**	**February 28, 2022**
		$	$		
EXPENSES					
Consulting fees		70,297	201,518	188,400	479,003
General exploration expenditures	5	218,790	59,844	697,898	222,588
Investor communications		14,412	74,842	67,742	216,372
Management fees	7	37,500	37,500	112,500	113,700
Office		18,287	63,432	82,601	123,661
Professional fees	7	21,872	54,838	134,733	104,507
Rent		-	3,479	10,357	14,866
Share based compensation		-	125,000	-	125,000
Transfer agent and filing fees		12,212	15,222	32,002	32,967
Travel and promotion		31,916	5,131	65,218	11,796
LOSS BEFORE OTHER ITEM		(425,286)	(640,806)	(1,391,451)	(1,444,460)
OTHER ITEMS:					
Allowance for doubtful amounts	7	(150,000)	-	(161,779)	-
NET LOSS AND COMPREHENSIVE LOSS		(275,286)	(640,806)	(1,229,672)	(1,444,460)
LOSS PER SHARE – Basic and diluted		(0.00)	(0.01)	(0.01)	(0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		133,241,732	99,491,613	94,861,015	89,999,057

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

PORTOFINO RESOURCES INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2023 AND 2022
(Expressed in Canadian dollars)
(Unaudited)

	Common Shares					
	Number of Shares	**Amount**	**Subscriptions Receivable**	**Contributed Surplus**	**Deficit**	**Total**
		$		$	$	$
Balance, May 31, 2021	81,796,243	7,156,780	-	966,951	(7,643,341)	480,390
Shares issued for cash	15,902,781	1,372,609	-			1,372,609
Shares issued for mineral property	500,000	53,000	-	-	-	53,000
Shares issued for exercise of warrants	1,975,000	98,750	-	(22,609)	-	76,141
Share issuance costs	-	(192,755)	-	230,160		37,405
Net loss and comprehensive loss	-	-		-	(1,444,460)	(1,444,460)
Balance, February 28, 2022	**100,174,024**	**8,488,384**	**-**	**1,174,502**	**(9,087,801)**	**575,085**
Balance, May 31, 2022	109,632,843	8,998,466	-	1,164,618	(10,035,153)	127,931
Shares issued for cash	23,500,000	940,000	580,500	-	-	1,520,500
Shares issued for mineral property	200,000	8,000	-	-	-	8,000
Share issuance costs	-	(44,532)	-	6,880	-	(37,652)
Net loss and comprehensive loss	-	-	-	-	(1,229,672)	(1,229,672)
Balance, February 28, 2023	**133,332,843**	**9,901,934**	**580,500**	**1,171,498**	**(11,264,825)**	**389,107**

PORTOFINO RESOURCES INC.
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED FEBRUARY 28, 2023 AND 2022
(Expressed in Canadian dollars)
(Unaudited)

	February 28, 2023	February 28, 2022
	$	$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	(1,229,672)	(1,444,460)
Adjusted for items not affecting cash:		
Shares issued for exploration and evaluation expenditures	8,000	53,000
Marketable securities	(150,000)	
Contributed surplus	6,880	207,551
	(1,364,792)	(1,183,909)
Changes in non-cash working capital balances:		
Amounts receivable	(38,027)	(83,204)
Taxes receivable	29,548	31,490
Prepaid expenses	(185,812)	11,660
Accounts payable and accrued liabilities	52,698	40,437
Cash used in operating activities	(1,506,385)	(1,183,526)
FINANCING ACTIVITIES		
Shares issued for cash	1,520,500	1,372,609
Shares issued from exercise of warrants	-	98,750
Share issuance costs	(44,532)	(192,755)
Cash provided by financing activities	1,475,968	1,278,604
CHANGE IN CASH	(30,417)	95,078
CASH, BEGINNING OF YEAR	155,663	274,111
CASH, END OF PERIOD	125,246	369,189
SUPPLEMENTAL CASH DISCLOSURES:		
Interest paid	-	-
Income taxes paid	-	-
NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
Fair value of shares issued for exploration and evaluation expenditures	-	53,000
Fair value of finder warrants issued	6,880	105,161

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Portofino Resources Inc. ("the Company") was incorporated on June 14, 2011, under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is Suite 520, 470 Granville Street, Vancouver, British Columbia, Canada. The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "POR". On October 10, 2018, the Company incorporated a subsidiary under the laws of Argentina, Portofino Argentina, which is an inactive entity with no transactions occurring during the nine-month period ended February 28, 2023. The subsidiary is owned 98% by the Company and 2% by the Company's chief executive officer.

The Company's principal business activities include the acquisition and exploration of mineral properties. As at February 28, 2023, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amounts expended for exploration and evaluation activities is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the properties or realizing proceeds from their disposition.

The Company had a deficit of $11,264,825 as at February 28, 2023, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The outcome of these matters cannot be predicted at this time and indicate the existence of a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these unaudited financial statements.

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. The Company's operations have not been drastically impacted by the pandemic. Management of the Company continues to monitor the situation and is following the protocols and rules set in place by the provincial and federal governments.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These unaudited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These unaudited financial statements were authorized for issue in accordance with a resolution from the Board of Directors on April 26, 2023.

b) Basis of presentation

The unaudited financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these unaudited financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all years presented in these unaudited financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Exploration and evaluation expenditures

Costs incurred with respect to exploration and evaluation ("E&E") of the Company's mineral properties, including acquisition costs, are expensed as incurred until the technical feasibility and commercial viability of extracting the mineral resource is determined.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property would be considered a mine under development and would be classified as "mines under construction". E&E assets would be tested for impairment before the assets are transferred to development properties. Following transfer, the Company's policy is to assess each significant asset for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

d) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

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

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

The fair value of the stock options and agent warrants is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on historical experience), expected dividends, expected forfeitures, and risk-free interest rate (based on government bonds).

e) Foreign currency

The Company's presentation and functional currency is the Canadian dollar. Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Decommissioning, restoration, and similar liabilities

The Company has no material restoration, rehabilitation, and environmental obligations as the disturbance to date is immaterial.

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

g) Loss per share

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

h) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Income taxes (Continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences, which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized

j) Financial instruments

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss.

The Company classifies its financial assets and financial liabilities in the following measurement categories:

i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). Any fair value changes due to credit risk for liabilities designated at fair value through profit and loss are recorded in other comprehensive income.

The Company has implemented the following classifications for financial instruments:

- The Company's financial assets are cash and amounts receivable. Cash is classified as fair value through profit or loss and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur. Amounts receivable are classified as amortized cost.
- Financial liabilities comprise accounts payable. These financial liabilities are classified as and are measured at amortized cost using the effective interest method. Interest expense is recorded in profit or loss, as applicable.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Financial instruments (continued)

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The following table summarizes the classification of the Company's financial instruments under IFRS 9, Financial Instruments:

	Classification
Financial assets	
Cash	FVTPL
Amounts receivable	FVTPL
Financial liabilities	
Accounts payable	Amortized cost

IFRS 9, Financial Instruments, uses an expected credit loss model impairment model. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unaudited financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, 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:

Significant accounting estimates

i. the determination of fair values of share-based payments and finder's warrants; and
ii. the measurement of deferred income tax assets and liabilities.

Significant accounting judgment

i. the evaluation of the Company's ability to continue as a going concern.

(Expressed in Canadian dollars)

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the nine-month period ended February 28, 2023 and have not been early adopted in preparing these unaudited financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

5. EXPLORATION AND EVALUATION EXPENDITURES

During the nine-month period ended February 28, 2023, and 2022, the following exploration and evaluation expenditures were incurred by the Company:

	February 28, 2023	February 28, 2022
	$	$
Property payments	152,000	90,113
Expenditures:		
Assays	3,042	27,897
Consulting	1,000	650
Field Administration	600	-
Drilling	-	28,698
Geological services	541,256	75,230
Total	**697,898**	**162,744**

Catamarca, Argentina

Yergo Lithium Brine Project

Pursuant to an option agreement dated February 15, 2019, with a private Argentine concession owner (the "Yergo Optionor"), the Company was granted an option to acquire a 100% undivided interest in the Yergo lithium brine project in Catamarca, Argentina. The concession area comprises approximately 2,932 hectares encompassing the full salar.

To acquire a 100% interest in the Yergo Lithium Brine Project, the Company has agreed to make annual escalating payments to the Yergo Optionor over a four-year period totaling US$370,000 as follows:

a) US$10,000 on signing (paid),

b) By the 1st anniversary of approval- US$20,000,

c) By the 2nd anniversary of approval- US$70,000,

d) By the 3rd anniversary of approval- US$120,000, and

e) By the 4th anniversary- US$150,000.

On August 14, 2020, the Company reached an agreement with the Yergo Optionor to amend the terms of its option agreement that enables the Company to earn 100% interest in the project. The original agreement required the Company to make escalating payments totaling US$370,000 over a 48-month period with the next payment of US$70,000 due by February 2021. The Yergo Optionor had agreed to extend the payments such that the next payment was not required until August 14, 2022.

5. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Catamarca, Argentina (Continued)

Yergo Lithium Brine Project (Continued)

The amended total payments to the Yergo Optionor remain at US$370,000 and are detailed as follows:

a) US$10,000 on signing agreement (paid),

b) By August 30, 2020- US$20,000 (paid),

c) By August 14th, 2022- US$70,000,

d) By August 14th, 2023- US$120,000, and

e) By August 14th, 2024- US$150,000.

On September 22, 2022, the Company announced that it had received a notice of termination (the "Notice") from the Yergo Optionor to terminate the underlying agreements with respect to the Yergo Lithium Brine Project. The Company has rejected the Notice, filed an objection to the Notice with the Ministry of Mining in the Province of Catamarca, was granted a formal injunction by the Mining Court of of the Province of Catamarca prohibiting the Yergo Optionor from undertaking any form of alternate transaction, and is currently pursuing formal avenues of dispute resolution.

A property payment that was due to be paid to Mr. Bertetto by October 13, 2022 (which includes a 60-day curative period from the original payment due date of August 14, 2022) has been accrued pending resolution of the ongoing legal dispute.

Canada, Ontario

South of Otter, Red Lake

Pursuant to an option agreement dated September 6, 2019, with 1544230 Ontario Inc. (the "SO Vendor"), the Company was granted an option to acquire a 100% undivided interest in the South of Otter property in the Red Lake area of Northern Ontario, Canada.

To acquire a 100% interest in the South of Otter property, the Company has issued 500,000 common shares and is to make payments over a 4-year period to the SO Vendor totaling $70,000, as follows:

a) $15,000 (paid) on signing,

b) 500,000 shares (issued) following receipt of TSX-V approval of this transaction on October 7, 2019,

c) $8,000 (paid) on the first anniversary of TSX-V approval,

d) $10,000 (paid) on the second anniversary of TSX-V approval,

e) $12,000 (paid) due on the third anniversary of TSX-V approval, and

f) $25,000 due on the fourth anniversary of TSX-V approval.

The vendor will retain a 1.5% Net Smelter Return ("NSR"), but Portofino has the right to purchase one half of the NSR (.75%) at any time up to commencement of production for a payment of $400,000.

On July 07, 2020 the claims owned by 1544230 Ontario Inc. were acquired by EMX Royalty Corp.

5. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Canada, Ontario (Continued)

Gold Creek Property, Shebandowan

On May 11, 2020, the Company signed an option agreement with Gravel Ridge Resources Ltd. ("Gravel Ridge"), that allows the Company to earn a 100% interest in mining exploration claims held by Gravel Ridge, and located primarily in Duckworth Township, Ontario (the "Gold Creek Property").

To acquire a 100% interest in the Gold Creek Property, the Company has agreed to issue 800,000 common shares of the Company to Gravel Ridge and make cash payments of $70,600, as set out below:

a) $8,600 (paid) on signing,

b) 400,000 shares (issued) following receipt of TSX-V approval of this transaction on May 21, 2020,

c) $12,000 (paid) and 400,000 shares (issued) due on the first anniversary of TSX-V approval,

d) $20,000 (paid) due on the second anniversary of TSX-V approval, and

e) $30,000 due on the third anniversary of TSX-V approval.

On August 10, 2020, the Company entered into an option agreement amendment with respect to the inclusion of additional mining claims (3 mining claims/50 mining cells) to the Gold Creek Property.

On August 21, 2020, the Company entered into an agreement with Mr. Philip Escher and Mr. Michael Tremblay ("Owners") to purchase 100% interest in 2 claims located in Duckworth Township, Ontario, contiguous to the Company's Gold Creek property. In consideration, the Company paid $10,000 and issued 125,000 common shares as approved by the TSXV on September 4, 2020.

On September 15, 2021, the claims owned by Gravel Ridge Resources Ltd. were acquired by Solstice Gold Corp.

Sapawe West Property, Atikokan

The Company entered into an option agreement with 1544230 Ontario Inc. ("Owner"), dated May 22, 2020, to acquire a 100% interest in the Sapawe West Property claims located in Schwenger and McCaul Townships, Ontario.

To acquire a 100% interest in the Sapawe West Property, the Company has agreed to issue 700,000 common shares and make payments over a three-year period to the Owner totaling $62,000, as set out below:

a) $12,000 (paid) on signing,

b) 500,000 shares (issued) following receipt of TSX-V approval of this transaction on May 28, 2020,

c) $10,000 (paid) and 200,000 shares (issued) due on the first anniversary of TSX-V approval,

d) $15,000 (paid) due on the second anniversary of TSX-V approval, and

e) $25,000 due on the third anniversary of TSX-V approval.

The Owner retains 1.5% NSR on all mineral production, 0.75% of which can be purchased by the Company for $500,000.

5. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Canada, Ontario (Continued)

Melema West Property, Atikokan

The Company entered into an option agreement with 1544230 Ontario Inc. ("Owner"), dated May 22, 2020, the Company was granted an option to acquire a 100% interest in Melema West Property located in Hutchinson, Bellmore Lake and Ramsay Wrights Townships, Ontario.

To acquire a 100% interest in the Melema West Property, the Company is to issue 700,000 common shares and make payments over a three-year period to the Owner totaling $62,000, as set out below:

a) $12,000 (paid) on signing,

b) 500,000 shares (issued) following receipt of TSX-V approval of this transaction on June 16, 2020,

c) $10,000 (paid) and 200,000 (issued) shares due on the first anniversary of TSX-V approval,

d) $15,000 (paid) on the second anniversary of TSX-V approval, and

e) $25,000 due on the third anniversary of TSX-V approval.

The Owner retains 1.5% NSR on all mineral production, 0.75% of which can be purchased by the Company for $500,000.

Bruce Lake Property, Red Lake

The Company entered into an Option Assignment Agreement with Falcon Gold Corp. ("Falcon"), dated June 20, 2020, to acquire a 100% interest in the 1,428 hectare Bruce lake Property in the Red Lake Mining District. Falcon assigned 100% of its interest in five mineral claims, known as Bruce Lake Property to the Company.

To acquire a 100% interest in the Bruce Lake Property, the Company has issued 650,000 common shares and is to make payments over a three-year period to the claim owner totaling $52,000, as follows:

a) $650,000 shares (issued) within 15 days of effective date,

b) $8,000 (paid) on or before September 6, 2020,

c) $10,000 (paid) on or before September 6, 2021,

d) $14,000 (paid) on or before September 6, 2022, and

e) $20,000 on or before September 6, 2023.

The claim owner retains 1.5% NSR on all mineral production, 0.75% of which can be purchased by the Company for $500,000. In addition, the claims are subject to 0.5% NSR payable to Falcon.

On July 7, 2020, the claims owned by 1544230 Ontario Inc. were acquired by EMX Royalty Corp.

5. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Canada, Ontario (Continued)

Allison Lake North Property, Northwestern Ontario

On April 6, 2021, the Company entered into an option agreement with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (the "Optionors").

To acquire a 100% interest in the Allison Lake North Property, the Company is to make payments and issue common shares over a three-year period, as follows:

a) $12,000 on signing of the Option Agreement (paid),
b) 400,000 shares (issued) following receipt of TSX-V approval of this transaction on April 21, 2021,
c) $16,000 (paid) and 400,000 shares (issued) due on or before one-year anniversary of TSXV Exchange approval,
d) $20,000 (paid)* due on or before two-year anniversary of TSXV Exchange approval, and
e) $30,000 due on or before three-year anniversary of TSXV Exchange approval.

The claims are subject to 1.5% NSR.

On September 15, 2021, the claims owned by 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. were acquired by Solstice Gold Corp.

**Payment made on April 13, 2023*

Allison Lake North, Birkett and Costello Lake Townships, Northwestern Ontario

On April 28, 2022, the Company entered into a mineral claims acquisition agreement with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (the "Acquisition Agreement")

To acquire a 100% interest in the Allison Lake North Birkett and Costello Lake Property, the Company made the following payments:

a) $2,000 (paid) on signing of the Acquisition Agreement,
b) 200,000 shares (issued) following receipt of TSX-V approval of this transaction on May 11, 2022.

The claims are subject to 1.5% NSR.

Greenheart Property, Northwestern Ontario

On December 3, 2021, the Company entered into an option agreement with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. (the "Optionors") for the Greenheart Lake and McNamara Lake Lithium Properties located in Northwestern, Ontario (the "Greenheart Property").

To acquire a 100% interest in the Greenheart Property, the Company is to make payments and issue common shares over a three-year period, as follows:

5. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Canada, Ontario (Continued)

Greenheart Property, Northwestern Ontario

a) $5,800 (paid) on signing of the Option Agreement,

b) 300,000 shares (issued) following receipt of TSX-V approval of this transaction on December 14, 2021,

c) $12,000 (paid) and 200,000 (issued) shares due on or before one-year anniversary of TSXV approval,

d) $20,000 due on or before two-year anniversary of TSXV Exchange approval, and

e) $30,000 due on or before three-year anniversary of TSXV Exchange approval.

The claims are subject to 1.5% NSR.

Prior Property Agreements

Hombre Muerto West Lithium Brine Project, Catamarca, Argentina

Pursuant to an option agreement dated September 6, 2018, with a private Argentine concession owner (the "Hombre Muerto Optionor"), the Company was granted an option to acquire a 100% undivided interest in the Hombre Muerto West lithium brine project in Catamarca, Argentina. The Hombre Muerto West lithium brine project is comprised of two claim blocks totalling 1,804-hectares located within the Salar del Hombre Muerto.

To acquire a 100% interest in the Hombre Muerto West lithium brine project, the Company has agreed to make annual escalating payments to the Hombre Muerto Optionor over a four-year period totalling US$400,000 and 1,000,000 common shares as follows:

a) An initial US$15,000 deposit (paid).

b) Within 30 days of execution of a definitive agreement-pay US$7,000 (paid).

c) Upon TSX-V Exchange approval – issue 100,000 shares.

d) By the first anniversary of TSX-V Exchange approval – issue 200,000 shares and pay US$14,000,

e) By the 2nd anniversary of approval- issue 200,000 shares and pay US$44,000,

f) By the 3rd anniversary- issue 500,000 shares and pay US$100,000, and

g) By the 4th anniversary- pay US$220,000.

On September 24, 2020, the Company completed the assignment of 100% of its interest and rights and obligations related to the Hombre Muerto West Lithium Brine Project to Galan Lithium Limited ("Galan"). As consideration, the Company received $100,000 in cash and 650,000 common shares of Galan. The cash proceeds of $100,000 and fair value of Galan's common shares received were recorded against the general exploration expenditures on the statement of comprehensive loss for the year ended May 31, 2021. During the year ended May 31, 2021, the Company disposed of the Galan common shares and recorded a gain on sale of marketable securities of $187,543.

6. SHARE CAPITAL

a) Authorized:

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

b) Escrow Shares:

There were no common shares held in escrow as at February 28, 2023 and 2022.

c) Issued and Outstanding as at February 28, 2023: 133,332,843 common shares

During the nine-month period ended February 28, 2023:

(i) The Company issued 13,700,000 units for gross proceeds of $548,000 on November 4, 2022. Each unit consists of one common share and one share purchase warrant. Each Warrant has a term of 24 months commencing on the Closing Date and entitles the holder to purchase one common share at a price of $0.06 during the first year and $0.10 during the second year. The Company paid $3,200 in cash and issued 80,000 finder's fee warrants which are exercisable on the same terms as the subscribing investors and incurred other costs of $3,690.

(ii) The Company issued 9,800,000 units for gross proceeds of $392,000 on November 30, 2022. Each unit consists of one common share and one share purchase warrant. Each Warrant has a term of 24 months commencing on the Closing Date and entitles the holder to purchase one common share at a price of $0.06 during the first year and $0.10 during the second year. The Company paid $4,480 in cash and issued 112,000 finder's warrants which are exercisable on the same terms as the subscribing investors and incurred other costs of $1,983.

(iii) The Company issued 200,000 common shares with a fair value of $8,000 on January 10, 2023, pursuant to a mineral property option agreement dated May 22, 2020, regarding the Greenheart Lake Property.

6. SHARE CAPITAL (CONTINUED)

During the nine-month period ended February 28, 2022:

(i) The Company issued 200,000 common shares with a fair value of $20,000 on June 16, 2021, pursuant to a mineral property option agreement dated May 22, 2020, regarding the Melema West Property.

(ii) The Company issued 1,975,000 common shares during the nine-month ended February 28, 2022 pursuant to the exercise of warrants for gross proceeds of $98,750.

(iii) The Company issued 8,125,000 units for gross proceeds of $650,000 on October 20, 2021. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at $0.12 for three years. The Company paid $38,700 in cash and issued 483,750 finder's fee warrants which are exercisable on the same terms as the subscribing investors and incurred other costs of $4,763.

(iv) The Company issued 7,777,781 units for gross proceeds of $700,000 on November 2, 2021. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at $0.12 for three years. The Company paid $35,332 in cash and issued 392,584 finder's warrants which are exercisable on the same terms as the subscribing investors and incurred other costs of $8,800.

(v) The Company issued 300,000 common shares on December 16, 2021, pursuant to a mineral property option agreement dated December 3, 2021, regarding the Greenheart Lake Property.

(vi) The Company issued 1,975,000 common shares during the nine-month period ended February 28, 2022, pursuant to the exercise of warrants for gross proceeds of $98,750.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (CONTINUED)

d) Stock Options:

The Company has an incentive share option plan for granting options to directors, employees, and consultants, under which the total outstanding options are limited to 10% of the outstanding common shares of the Company at any one time.

During the year ended May 31, 2022, the Company granted 1,250,000 stock options to certain officers, directors and consultants of the Company. Options vested on grant date, with an exercise price of $0.12 per share until January 5, 2027.

There were no options granted during the nine-month period ended February 28, 2023.

The following table summarizes the Company's stock option activity as at February 28, 2023:

	Number of Options	Weighted Average Exercise Price
		$
Outstanding and exercisable, May 31, 2021	4,233,750	0.16
Granted	1,250,000	0.12
Expired	(358,750)	0.40
Outstanding and exercisable, February 28, 2022	**5,125,000**	**0.13**
Expired	(375,000)	0.48
Outstanding and exercisable, February 28, 2023	**4,750,000**	**0.11**

There were no stock options issued during the nine-month period ended February 28, 2023:

	February 28, 2023	**February 28, 2022**
Share price	-	$0.12
Risk free interest rate	-	1.49%
Expected life	-	5 years
Expected volatility	-	133%
Expected dividend	-	Nil

The following options were outstanding and exercisable at February 28, 2023:

Number of Options	Weighted average Exercise Price	Expiry Date	Remaining Life (in years)
1,500,000	$0.08	February 27, 2024	1.00
2,000,000	$0.12	July 13, 2025	2.37
1,250,000	$0.12	January 5, 2027	3.85
4,750,000	$0.11		2.41

(Expressed in Canadian dollars)

5. SHARE CAPITAL (CONTINUED)

h) Warrants

During the nine-month period ended February 28, 2023, the Company issued 192,000 finder's warrants in connection with the private placement disclosed in Note 6 (c).

During the nine-month period ended February 28, 2022, the Company issued 876,334 finder's warrants in connection with the private placements disclosed in Note 6 (c). The fair value of finders' warrants was estimated using the Black Scholes option-pricing model with the following assumptions:

	February 28, 2023	**February 28, 2022**
Share price	$0.04	$0.14
Risk free interest rate	-	1.00%
Expected life	2 years	3 years
Expected volatility	-	137%
Expected dividend	Nil	Nil

The following table summarizes the Company's warrant activity as at February 28, 2023 and 2022:

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, May 31, 2021	19,233,219	0.09
Issuance of private placement warrants	15,902,781	0.12
Issuance of finders' warrants	876,334	0.12
Exercise of warrants	(1,975,000)	0.05
Outstanding and exercisable, February 28, 2022	**34,037,334**	**0.11**
Outstanding and exercisable, May 31, 2022	24,802,515	0.13
Issuance of private placement warrants	23,500,000	0.06
Issuance of finders' warrants	192,000	0.06
Outstanding and exercisable, February 28, 2023	**48,494,515**	**$0.10**

Details of the warrants outstanding and exercisable at February 28, 2023:

Number of warrants	Exercise price	Expiry date	Remaining contractual life (in years)
1,400,000	$0.15	March 24, 2023	0.70
6,623,400	$0.15	November 9, 2023*	0.07
8,608,750	$0.12	October 19, 2024	1.64
8,170,365	$0.12	November 1, 2024	1.68
13,780,000	$0.06	November 3, 2024	1.68
9,912,000	$0.06	November 29, 2024	1.75
48,494,515	$0.10		1.25

*TSX Venture Exchange (the "Exchange") has consented to the extension in the expiry date from November 9, 2022, to November 9, 2023. The Company incurred filing fee payment of $750.

(Expressed in Canadian dollars)

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following related parties' amounts have been included in amounts receivable and accounts payable and accrued liabilities:

	February 28, 2023	February 28, 2022
	$	$
Amounts receivable	38,027	225,428
Accounts payable and accrued liabilities	910	-

The amounts are due to or advanced to companies controlled by directors of the Company. The amounts receivable, accounts payable and accrued liabilities are non-interest bearing, unsecured and are due upon demand.

Allowance for doubtful amounts receivable relate to amounts due from a public company having common directors with the Company relating to a cost-sharing arrangement whereby the Company is reimbursed for shared administrative and office expenses. During the year ended May 31, 2022, the Company has recorded an allowance against the receivable of $267,067 which represents 100% of the amounts receivable. During the nine-month ended February 28, 2023, the Company received a payment in the amount of $161,779 consisting of $10,000 in cash, $1,779 filing fee payment and 3,000,000 Common shares worth $150,000. Amounts receivable balance at February 28, 2023 is $38,027 (February 28, 2022: $225,428).

Key management personnel receive compensation in the form of short-term employee benefits. Key management personnel include the officers and directors of the Company. The remuneration of key management is as follows:

	February 28, 2023	February 28, 2022
	$	$
Management fees	112,500	113,700
Professional fees	45,000	45,000
	157,500	158,700

Management services were provided by companies controlled by two directors of the Company.

Professional fees are paid to companies controlled by the chief financial officer and a director of the Company. The Company did not enter into any other transactions with related parties.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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).

Fair Value of Financial Instruments

The Company's financial assets include cash and amounts receivable, which are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at February 28, 2023 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	125,246	-	-	125,246

Fair value

The fair value of the Company's financial liabilities approximates their carrying value as at February 28, 2023, because of the demand nature or short-term maturity of these instruments.

The following table summarizes the carrying value of the Company's financial instruments:

	February 28, 2023	**February 28, 2022**
	$	$
Cash (i)	125,246	369,189
Amounts receivable (i)	38,027	225,428
Accounts payable (ii)	181,778	77,981

(i) FVTPL
(ii) Amortized cost

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (CONTINUED)

Financial risk management objectives and policies

The Company's financial instruments include cash, amounts receivable and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company is exposed to foreign currency risk related to cash payments, exploration expenditures and its promissory notes that are denominated in US dollars and Argentine Pesos. The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada. Management does not hedge its exposure to foreign exchange risk and the Company's net exposure is limited.

The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution. The fair value interest rate risk on cash is insignificant due to their short - term nature.

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

(iii) *Credit risk*

Credit risk is the risk of 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 of cash and amounts receivable. To minimize the credit risk, the Company places these its cash with a high-quality financial institution. The Company is exposed to credit risk relating to amounts receivable from another publicly listed company.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. SUBSEQUENT EVENT

On March 2, 2023, the Company announced, in accordance with the Company’s Share Option Plan it has granted options to purchase an aggregate of 3,817,000 common shares of the Company to certain directors, officers, employees, and consultants of the Company. Each Option is exercisable into one Common Share at an exercise price of $0.065. The Options are subject to certain vesting conditions and expire five years from the grant date.

Also on March 2, 2023, the Company announced, in accordance with the terms of the Company's Equity Incentive Plan, the Company granted restricted share units ("RSUs") representing the right to receive up to an aggregate of 2,250,000 Common Shares, subject to the satisfaction of certain vesting conditions, to certain directors, officers, and employees of the Company.