VISIONARY METALS CORP.

(Formerly Visionary Gold Corp.)

Consolidated Financial Statements

For the years ended June 30, 2023 and 2022

Visionary Metals Corp.
Suite 407 – 325 Howe Street
Vancouver, British Columbia, Canada V6C 1Z7

Trading Symbol: VIZ
Telephone: 604-687-3520
Facsimile: 1-888-889-4874

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
www.devissergray.com
t 604.687.5447
f 604.687.6737

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Visionary Metals Corp. (formerly Visionary Gold Corp.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Visionary Metals Corp. (formerly Visionary Gold Corp.) (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company's continuing operations are dependent upon its ability to obtain adequate financing through debt or equity issuance. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 3(e) – Accounting policy Exploration and evaluation assets, note 3(n) – Significant accounting judgments and estimates and Note 4 – Exploration and evaluation assets Management assesses at each reporting period whether there is an indication that the carrying value of the exploration and evaluation assets may not be recoverable. Management applies significant judgment in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: • Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment. • Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired.

whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgment.	• Obtained management's written representations regarding the Company's future plans for the mineral properties. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is William Nichols.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
October 30, 2023

VISIONARY METALS CORP. (formerly Visionary Gold Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note		June 30, 2023		June 30, 2022
ASSETS					
Current					
Cash		$	656,818	$	676,889
Other receivable			6,796		16,002
Prepaid expenses and deposits	11		116,980		200,050
			780,594		892,941
Non-current					
Reclamation and environmental bonds	4		67,222		58,853
Exploration and evaluation assets	4		2,175,250		2,206,834
			2,242,472		2,265,687
		$	3,023,066	$	3,158,628
LIABILITIES					
Current					
Accounts payable and accrued liabilities	5,10	$	218,140	$	300,097
Loan payable	6,8(b),10		191,980		-
			410,120		300,097
Non-current					
Decommissioning obligation	7		52,116		67,860
Restoration provision	4		4,005		4,005
			56,121		71,865
SHAREHOLDERS' EQUITY					
Share capital	8		13,074,596		9,857,403
Shares subscribed	8		-		817,182
Contributed surplus	8		3,156,331		2,689,639
Accumulated other comprehensive income			92,015		64,525
Deficit			(13,766,117)		(10,642,083)
			2,556,825		2,786,666
		$	3,023,066	$	3,158,628

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 16)

These consolidated financial statements were authorized for issue by the board of directors of the Company on October 30, 2023. They are signed on the Company's behalf by:

"John Kanderka"	*"Wes Adams"*
John Kanderka, Director	Wes Adams, Director

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

VISIONARY METALS CORP. (formerly Visionary Gold Corp.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Note	For the years ended June 30, 2023	2022
Expenses			
General and administrative	9,10	$ 414,726	$ 488,780
Share-based payments	8(c)	466,692	165,962
		881,418	654,742
Other items			
Interest expense		(8,990)	-
Impairment	4	(2,273,391)	(1,286,009)
Foreign exchange gain (loss)		10,669	(30,636)
Gain on settlement of debt		21,464	-
Change in estimated decommissioning obligation	7	7,632	(7,705)
		(2,242,616)	(1,324,350)
Net loss for the year		(3,124,034)	(1,979,092)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation adjustment		27,490	75,912
Total comprehensive loss for the year		$ (3,096,544)	$ (1,903,180)
Basic and diluted loss per share		$ (0.03)	$ (0.03)
Weighted average number of common shares outstanding		105,258,500	71,945,563

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

VISIONARY METALS CORP. (formerly Visionary Gold Corp.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Number of shares	Share capital	Shares subscribed	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
Balance as at June 30, 2021	71,945,563	$ 9,857,403	$ -	$ 2,523,677	$ (11,387)	$ (8,662,991)	$ 3,706,702
Shares subscribed	-	-	831,604	-	-	-	831,604
Shares issue costs	-	-	(14,422)	-	-	-	(14,422)
Share-based compensation	-	-	-	165,962	-	-	165,962
Net loss and comprehensive income	-	-	-	-	75,912	(1,979,092)	(1,903,180)
Balance as at June 30, 2022	71,945,563	9,857,403	817,182	2,689,639	64,525	(10,642,083)	2,786,666
Shares issued:							
Private placements	55,874,484	3,296,254	(817,182)	-	-	-	2,479,072
Shares issue costs	-	(79,061)	-	-	-	-	(79,061)
Share-based compensation	-	-	-	466,692	-	-	466,692
Net loss and comprehensive income	-	-	-	-	27,490	(3,124,034)	(3,096,544)
Balance as at June 30, 2023	**127,820,047**	**$ 13,074,596**	**$ -**	**$ 3,156,331**	**$ 92,015**	**$ (13,766,117)**	**$ 2,556,825**

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

VISIONARY METALS CORP. (formerly Visionary Gold Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Note	For the years ended June 30, 2023	2022
Cash provided by (used in):			
Operating activities			
Net loss and comprehensive loss		$ (3,124,034)	$ (1,979,092)
Items not involving cash:			
Share-based payments	8(c)	466,692	165,962
Gain on settlement of debt		(21,464)	-
Changes in estimated decommissioning obligation	7	(7,632)	7,705
Write-off of exploration and evaluation assets	4	2,273,391	1,286,009
Foreign exchange (gain)/ loss		-	45,182
Changes in non-cash working capital related to operating activities		2,088	(176,152)
Cash used in operating activities		(410,959)	(650,386)
Investing activities			
Additions to exploration and evaluation assets	4	(2,205,802)	(2,724,002)
Reclamation and environmental bonds	4	(6,752)	-
Cash used in investing activities		(2,212,554)	(2,724,002)
Financing activities			
Loans received	6	666,266	-
Proceeds from issuance of shares	8(b)	1,975,942	-
Cash from shares subscribed	8(b)	-	831,604
Share issue costs	8(b)	(64,639)	-
Cash provided by financing activities		2,577,569	831,604
Net decrease in cash		(45,944)	(2,542,784)
Effect of exchange rate changes on cash		25,873	28,483
Cash - beginning of the year		676,889	3,191,190
Cash - end of the year		$ 656,818	$ 676,889
Supplemental Cash Flow information			
Non-cash investing and financing activities:			
Exploration and evaluation assets in accounts payable		$ 137,666	$ 68,549
Share issue costs in accounts payable		-	14,422
Changes of decommissioning liabilities in accounts payable		8,112	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Visionary Metals Corp. (formerly Visionary Gold Corp.) (the "Company" or "Visionary") was incorporated on August 14, 2000 under the *Business Corporations Act* (British Columbia) and trades on the TSX Venture Exchange under the symbol "VIZ". The Company changed its name from Visionary Gold Corp. to Visionary Metals Corp., effective on July 10, 2023. Its registered office is 4th Floor, Unit #407, 325 Howe Street, Vancouver, BC V6C 1Z7.

The Company is a junior exploration company and is focused on acquiring and developing projects.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company incurred a net loss of $3,124,034 for the year ended June 30, 2023 (2022 – $1,979,092). To date, the Company has not earned significant revenues and has accumulated losses of $13,766,117. The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain necessary equity or other financing to continue operations, and/or to attain sufficient profitable operations.

There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption. The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing, but anticipates that the current market conditions may impact the ability to source such funds. The outcome of these matters cannot be predicted at the present time. These factors indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Due to the unfolding crisis in the Ukraine the Company may be exposed to new risks and uncertainties. In our case this is mainly a capital markets risk relating to financing and to lesser extent potential higher energy related costs.

These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. If the going concern basis was not appropriate for these consolidated financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statements of financial position classifications used.

2. BASIS OF PREPARATION

(a) Statement of compliance with IFRS

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

(b) Basis of preparation and measurement

Depending on the applicable IFRS requirements, the measurement basis used in the preparation of the consolidated financial statements is cost, net realizable value, fair value or recoverable amount. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Functional and presentation currency

The Company assesses functional currency on an entity by entity basis based on the related fact pattern; however, the presentation currency used in these consolidated financial statements is determined at management's discretion.

The currency of the parent company, and the presentation currency applicable to these consolidated financial statements, is the Canadian dollar.

The Company has determined that the functional currency of its wholly-owned subsidiary, Lost Creek Corporation ("**LCC**"), in the United States is the US dollar. Exchange differences arising from the translation of the subsidiaries' functional currencies into the Company's presentation currency are taken directly to the accumulated other comprehensive income.

b) Reporting entity

The consolidated financial statements as at and for the years ended June 30, 2023 and 2022 include the accounts of the Company and its inactive wholly owned subsidiary Portal Resources US Inc. and its active subsidiary LCC from the date of incorporation. All significant inter-company transactions and balances have been eliminated. On July 1, 2020, LCC was incorporated in the state of Wyoming, USA. Pursuant to LCC's Bylaws, one million common shares were authorized to be issued, all of which are held by the Company.

c) Revenue

The Company follows a five-step model for the recognition of revenue when control of goods is transferred to, or a service is performed for, the customer. The five steps are to identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to each performance obligation and recognize revenue as each performance obligation is satisfied.

Revenue is recognized at the point in time when the customer obtains control of the product. Control is achieved when a product is delivered to the customer, the Company has a present right to payment for the product, significant risks and rewards of ownership have transferred to the customer according to contract terms and there is no unfulfilled obligation that could affect the customer's acceptance of the product.

The Company's revenue is generated from the sale of petroleum. On a monthly basis, the Company receives a joint interest billing from the operator for its 25% share of revenue earned and operating expenses incurred, if any.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d) Ownership interest

Pursuant to a Farmout and Participation Agreement, the Company had a 25% working interest in certain licenses, relating to six oil and gas wells. During the year ended June 30, 2021, certain of these interests were disposed of (see Note 7). Accordingly, the accounts of the Company reflect its 25% share of revenues, expenses and estimated abandonment and reclamation costs for the remaining wells and any annual rental obligations.

e) Exploration and evaluation assets

Pre-exploration costs are recognized as an expense in the period incurred. Pre-exploration activities are expenditures incurred prior to obtaining the legal rights or licenses to explore a mineral resource.

Intangible exploration and evaluation expenditures are capitalized and may include costs of license acquisition, geological and geophysical evaluations, technical studies, exploration drilling and testing and other directly attributable costs. Tangible assets acquired which are consumed in developing an intangible exploration asset are recorded as part of the cost of the exploration asset. The costs are accumulated in cost centers by exploration area pending determination of technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting a mineral resource in an exploration area is considered to be determinable when economical quantities of reserves are determined to exist. A review of each exploration project by area is carried out at each reporting date to ascertain whether reserves have been discovered. Upon determination of commercial reserves, associated exploration costs are transferred from exploration and evaluation to mine development as reported on the consolidated statements of financial position. Exploration and evaluation assets are reviewed for impairment prior to any such transfer.

Assets classified as exploration and evaluation are not amortized. If technical feasibility and commercial viability has determined not to be achieved, the capitalized exploration costs and relevant costs are charged to the consolidated statements of comprehensive loss as an impairment expense.

f) Petroleum and natural gas properties

Recognition and measurement

Petroleum and natural gas properties consist of the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the initial estimate of the costs of dismantling and removing the asset and restoring the site on which it was located.

Depletion

The carrying value of petroleum and natural gas properties, net of estimated residual value, is depleted on a geographic or geotechnical area basis using the unit of production method.

Petroleum and natural gas properties are measured at cost less accumulated depletion and accumulated impairment losses.

Impairment

For impairment losses recognized in prior periods, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. Previously recognized impairment loss reversals are limited to the carrying amount that would have been determined, net of depletion and depreciation, had no impairment loss been recognized for the asset in prior periods. Impairment reversals are recognized as an impairment recovery in the consolidated statements of

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

comprehensive loss. The carrying value of petroleum and natural gas properties before impairment losses was approximately $1,512,000.

g) Provisions and decommissioning obligations

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

The Company's activities give rise to dismantling, restoration and site disturbance remediation activities. Costs related to abandonment and reclamation activities are estimated by management in consultation with operators of the oil and gas licenses.

Decommissioning obligations are measured at the present value of the best estimate of expenditures required to settle the present obligations at the reporting date. When the fair value of the liability is initially measured, the estimated cost, discounted using a risk-free discount rate, is capitalized by increasing the carrying amount of the related petroleum and natural gas properties. The increase in the provision due to the passage of time ("accretion") is recognized as an expense whereas increases and decreases due to revisions in the estimated future cash flows are recorded as adjustments to the carrying amount of the related petroleum and natural gas properties. Where the carrying value of the asset that generated a decommissioning obligation no longer exists, there is no longer any future benefit related to the costs and, as such, the amounts are expensed through profit or loss. Actual costs incurred upon settlement of the liability are charged against the obligation to the extent that the obligation was previously established. The Company reviews the obligation at each reporting date and revisions to the estimated timing of cash flows, discount rates and estimated costs will result in an increase or decrease to the obligations. Any difference between the actual costs incurred upon settlement of the obligation and the recorded liability is recognized as a gain or loss in the consolidated statements of comprehensive loss.

h) Share capital

Proceeds from the issuance of common shares are classified as equity on the consolidated statement of financial position. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. The proceeds from the issue of units are allocated between common shares and contributed surplus based on the residual value method. Under this method, the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

i) Foreign Currency Translation

Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalent using foreign exchange rates at the consolidated statement of financial position dates. Non-monetary items are translated at historical exchange rates. Revenues and expenses are translated using average rates of exchange during the year. Exchange gains or losses arising from currency translation are included in the determination of net loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i) Foreign Currency Translation *(continued)*

Subsidiaries

The results and financial position of the Company's subsidiaries that have a functional currency different from the Company's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expenses are translated at average exchange rates for the period;
- Equity is translated using historical rates; and
- All resulting exchange differences are recognised in other comprehensive income as foreign currency translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to the foreign currency translation reserve (a component of accumulated other comprehensive loss). When a foreign operation is sold, such exchange differences are recognised in the consolidated statement of comprehensive loss as part of the gain or loss on sale.

j) Share based payment transactions

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in contributed surplus. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

k) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost.

The following financial assets are classified as measured at amortized cost – cash and reclamation and environmental bonds.

The following financial liabilities are classified as measured at amortized cost – accounts payable and accrued liabilities and shareholders' loans.

The classification of financial assets is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Transaction costs with respect to financial instruments classified as fair value through profit or loss are recognized as an adjustment to the cost of the underlying instruments. The Company's financial assets are classified into one of the following two measurement categories:

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

k) Financial instruments *(continued)*

Financial assets held within a business model for the purpose of collecting contractual cash flows ("held to collect") that represent solely payments of principal and interest ("SPPI") are measured at amortized cost. Financial assets held within a business model where assets are both held for the purpose of collecting contractual cash flows or sold prior to maturity and the contractual cash flows represent SPPI are measured at FVTPL.

l) Tax expense

Tax expense comprises current and deferred tax. Tax expense 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 is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized 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. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. 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 reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference 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.

m) Loss per share

Loss per share has been calculated using the weighted-average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that proceeds received from the exercise of "in-the-money" stock options and warrants would be used to purchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

n) Significant accounting judgments and estimates

The timely preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and going concern assumption. Accordingly, actual amounts may differ from these estimates. Estimates and underlying assumptions are viewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. By their nature, these estimates and assumptions are subject to measurement uncertainty and may impact the carrying value of the Company`s assets in future periods. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

n) Significant accounting judgments and estimates *(continued)*

Reserves

Oil reserve and resource estimates are based on various assumptions relating to operating matters as set forth in National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Estimation of reported recoverable quantities of proved and probable reserves include judgmental assumptions regarding production profile, commodity prices, exchange rates, remediation costs, timing and amount of future development costs, and production, transportation and marketing costs for future cash flows. It also requires interpretation of geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated recoveries. The economical, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact the assessment of impairment or impairment reversal of the carrying values of the Company`s petroleum and natural gas properties, the calculation of depletion, the provision for decommissioning obligations, and the recognition of deferred tax assets due to changes in expected future cash flows. The recoverable quantities of reserves and estimated cash flows from the Company`s petroleum and natural gas interests are independently evaluated by reserve engineers at least annually.

Share based payments

All equity-settled, share-based awards issued by the Company are fair valued using the Black-Scholes option-pricing model. In assessing the fair value of equity based compensation, estimates have to be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant date.

Decommissioning obligation

The Company estimates future remediation costs of wells at different stages of development and construction of assets. In most instances, removal of assets occurs many years into the future. This requires judgment regarding abandonment date, future environmental and regulatory legislation, the extent of reclamation activities, the engineering methodology for estimating cost, future removal technologies in determining the removal cost and liability-specific discount rates to determine the present value of these cash flows.

Impairment of petroleum and natural gas assets

For the purposes of determining whether impairment of petroleum and natural gas assets has occurred, and the extent of any impairment or its reversal, the key assumptions the Company uses in estimating future cash flows are future petroleum and natural gas prices, expected production volumes and anticipated recoverable quantities of proved and probable reserves. These assumptions are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates. Changes in the aforementioned assumptions could affect the carrying amounts of assets, and impairment charges and reversal will affect profit or loss.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The carrying amount of the Company's exploration and evaluation assets is reviewed for indicators of impairment at each reporting date. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists.

Judgement is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. Management considers both internal and external information to determine whether there

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

n) Significant accounting judgments and estimates *(continued)*

is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required.

Taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods.

Going concern

The determination that the Company will continue as a going concern for the next year.

Judgement is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. Management considers both internal and external information to determine whether there is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required.

4. EXPLORATION AND EVALUATION ASSETS

Majuba Hill

On September 20, 2020, the Company signed a Debt Settlement Agreement (the “DSA”) with regards to its 2017 lease agreement on the Majuba Hill property in Pershing County, North Central Nevada. Pursuant to the DSA, the parties agreed and the Company paid US$50,000 as full and final settlement.

As a result of ceasing activities on the Majuba Hill property, the Company is required to restore the site. The Company has recorded a provision for disposal costs of $4,005 (June 30, 2022 - $4,005).

As of June 30, 2023, the Company had a reclamation bond of $6,186 (US$4,672) with the Bureau of Land Management (June 30, 2022 - $6,020 (US$4,672)). On September 23, 2020, the Company engaged a consultant to commence reclamation work at Majuba Hills and the reclamation work has been completed at a cost of US$8,500. Further work is being undertaken to establish vegetation at the site, which is estimated to take two to three years.

Wolf Gold Project

On September 4, 2020 (the “Effective Date”), the Company, through its wholly-owned subsidiary LCC, entered into a lease assignment agreement (the “LAA”) with a private company (“GLM”) located in the state of Wyoming, whereby GLM agreed to assign to LCC and LCC agreed to assume from GLM all of GLM’s rights, title, interests, obligations and liabilities in and under two leases, dated June 12, 2020 and July 6, 2020, with the lessors. Pursuant to the LAA and a subsequent amendment:

- LCC will pay GLM annual payments of US$30,000 on execution of the LAA (paid) and US$40,000 (paid) on each anniversary of the Effective Date through termination, expiration or reassignment of the leases. These annual payments will be credited against royalty payment obligations and toward the royalty buy-out. LCC is under no obligation to make the annual payments from and after the date LCC ceases production, exploration or development of the property and its activities on the property are for reclamation only or upon LCC’s exercise of the option, upon reassignment or upon expiration or termination of the underlying lease(s).

4. EXPLORATION AND EVALUATION ASSETS *(continued)*

Wolf Gold Project *(continued)*

- LCC will pay to GLM a 2% Net Smelter Returns ("NSR") royalty on the production and sale of minerals from the property. Within five years from the Effective Date, LCC has the option, but not the obligation, to purchase the royalty for US$2 million, minus all prior annual payments.
- If LCC fails to exercise the royalty buy-out, it will have the option to reassign the leases to GLM and GLM may, in its discretion, elect to assume all of LCC's right, title and interest in the leases. Upon reassignment, LCC will have no further obligations regarding leases or the LAA, including no obligation to make the annual payments or the royalty payment to GLM.
- If the lessor wishes to sell, grant, assign, convey, encumber, license, pledge or otherwise commit, dispose or transfer all or any portion of its interest in the claims, the property, the LAA or the production royalty payments, then the lessor will first offer such interest to LCC.

During the year ended June 30, 2022, the Company elected not to continue the LAA, and wrote-off all deferred costs incurred.

On March 23, 2021, the Company entered into a mining lease agreement with an option to buy (the "Agreement") certain mining claims in Fremont County, Wyoming, which consists of three unpatented mining claims. The initial term of the Agreement was to expire on March 23, 2026, subject to the option of the Company to extend the expiry date for a further five-year period. Pursuant to the Agreement:

- The Company will pay to the lessor the sum of US$30,000 upon execution (paid) and each year during the term of the Agreement and has an option to buy the property for US$3,000,000 at any point during the term of the Agreement;
- During the term of the Agreement, a 4% net smelter returns royalty is payable to the current owners of the property with the right to buy down the royalty to 2% for US$2,000,000 per percentage point; and
- The Company can terminate the Agreement at any time, without penalty.

During the year ended June 30, 2022, the Company elected not to continue the Agreement, and wrote-off all deferred costs incurred.

On May 8, 2021, the Company entered into a purchase and sale agreement with Innovation Exploration Ventures LLC and an individual to acquire certain mining claims and data for $99,000 with the issuance of 550,000 common shares (issued) of the Company at a deemed price of $0.18 per share.

As of June 30, 2023, the Company had a refundable environmental bond of $54,284 (US$41,000) (June 30, 2022 - $52,833 (US$41,000)).

During the year ended June 30, 2023, the Company elected not to continue the Wolf Gold Project, and the deferred costs incurred to date were impaired to a nominal amount.

As of June 30, 2023, the Company had remaining $1 (June 30, 2022 - $2,206,834) in exploration and evaluation expenditures after writing off all deferred costs of the Wolf Gold Project.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS *(continued)*

Black Rock Gold-Copper Prospect/ Tin Cup Copper Prospect/ King Solomon Nickel and Cobalt Prospect

During the year ended June 30, 2023, the Company staked a new project specializing in exploration of gold and copper, known as the Black Rock Gold-Copper Prospect ("Black Rock") in Jeffrey City, Wyoming. The Company also staked the Tin Cup Copper Prospect ("Tin Cup") specializing in exploration of copper, and King Solomon Nickel and Cobalt Prospect ("King Solomon Projects") specializing in exploration of nickel and cobalt that located at the west-northwest of Black Rock for a total amount of $2,350 during the year ended June 30, 2023.

As of June 30, 2023, the Company had a refundable environmental bond of $6,752 (US$5,100) (June 30, 2022 - $Nil).

As of June 30, 2023, the Company had capitalized $2,175,249 (June 30, 2022 - $Nil) in exploration and evaluation expenditures related to the Black Rock, Tin Cup, and King Solomon Projects.

A summary of exploration and evaluation assets is as follows:

	Wolf Gold Project	Black Rock/Tin Cup/King Solomon Project	Total
Balance at June 30, 2022	**$ 2,206,834**	**$ -**	**$ 2,206,834**
Additions during the period			
Acquisition and holding costs:			
Staking	-	2,350	2,350
	-	2,350	2,350
Exploration expenditures:			
Equipment Rental	-	138,581	138,581
Claim fees and licenses	-	188,412	188,412
Assays	-	303,347	303,347
Camp and field costs	-	106,396	106,396
Drilling	-	529,342	529,342
Fuel	-	61,736	61,736
Geochemistry	-	1,146	1,146
Geological supplies	-	29,432	29,432
Geology	-	273,629	273,629
Permits	6,064	7,323	13,387
Geophysics	-	184,482	184,482
Environmental consulting	-	108,768	108,768
Report, drafting and maps	-	14,982	14,982
Travel & accomodations	-	35,913	35,913
Field supplies	-	3,523	3,523
Labour	-	1,468	1,468
Consulting	-	166,114	166,114
Freight	-	18,305	18,305
	6,064	2,172,899	2,178,963
Impairment	(2,273,391)	-	(2,273,391)
Net change	(2,267,327)	2,175,249	(92,078)
Foreign currency translation	60,494	-	60,494
Balance at June 30, 2023	**$ 1**	**$ 2,175,249**	**$ 2,175,250**

(Expressed in Canadian dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Amounts included in Accounts payables and Accrued liabilities:		**June 30, 2023**		**June 30, 2022**
Trade payables	$	195,817	$	225,521
Accrued liabilities		22,323		74,576
	$	218,140	$	300,097

6. LOANS PAYABLE

Amounts included in Loans payable:		**June 30, 2023**		**June 30, 2022**
A private company of which the Chief Executive Officer of the Company is a shareholder	$	191,980	$	-
Total	$	191,980	$	-

During the year ended June 30, 2023, the Company received a loan of $474,286 (US$350,000) from Wes Adams, a director and the CEO, with interest calculated at a rate of 2.0% per annum on any unpaid principal, such interest to be calculated daily in arrears and payable on or before February 10, 2024.

On May 10, 2023, the Company entered into a shares for debt agreement with Mr. Adams to extinguish the Company's outstanding debt, including interest payable, in exchange for the issuance of 6,775,521 units of the Company at a deemed price of $0.07 per unit, each unit comprising one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the warrant holder to acquire one common share of the Company at a price of $0.14 for a period of 36 months from the respective closing date. The debt is composed of a principal amount of US$350,000, the equivalent of $474,286 on May 10, 2023, and the accrued interest was deemed paid. (Notes 8(b))

During the year ended June 30, 2023, the Company received an additional loan of $191,980 (US$145,000) from a private company of which Wes Adams is a shareholder. The loan payable is unsecured, bearing an annual interest of 6.0%, and has no specific terms of repayment.

7. PETROLEUM AND NATURAL GAS PROPERTIES

In March 2011, the Company (the “farmee”) entered into a Farmout and Participation Agreement with a private company (the “farmor”) in the business of exploring for and producing oil, gas and coal. Pursuant to the agreement, the Company earned the farmor’s pre-farmout 25% working interest in two (test) wells located in Saskatchewan and can earn a 25% working interest if the farmor licenses contingent locations in the farmout and mutual interest lands (as defined). The farmor was appointed the initial operator (“operator 1”) of the wells with respect to all operations conducted by both parties. In December 2017, the farmor transferred and conveyed its entire interest in the agreement to another private company (“operator 2”) in the business of consolidating undervalued, under-exploited, mature and producing oil and natural gas assets.

(Expressed in Canadian dollars)

7. PETROLEUM AND NATURAL GAS PROPERTIES *(continued)*

During the year ended June 30, 2017, the Company changed its focus from oil and gas exploration and production to mineral exploration and, accordingly, wrote off the carrying value of its oil and gas properties. The company continues to hold a 25% working interest in four oil wells and two gas wells (one active oil well, two suspended gas wells and three abandoned oil wells). Operations relating to the active and completed wells are conducted by operator 2 and operations relating to the other wells are conducted by operator 1.

On a monthly basis, the Company receives a joint interest billing from operator 2 for its 25% share of revenue earned and operating expenses incurred. On a periodic basis, the Company receives a joint interest billing from operator 1 for its 25% share of abandonment and reclamation costs incurred and any annual rental obligations. On an annual basis, effective June 30th, the Company obtains an 'Evaluation of Interests' report from an independent company specializing in reserves evaluations for oil and gas companies. This report includes a NI 51-101 compliant estimate of the net present value of future net revenue (before income taxes) attributed to the proved plus probable reserves for the active oil well.

During the quarter ended March 31, 2021, by way of a court approved sales and investment solicitation the oil properties were sold to a third party. On February 11, 2021, the Company entered into a Quitclaim, Surrender, Conveyance and Assignment of Interest with respect to three abandoned gas wells and made a payment of $14,566 to satisfy any and all obligations, including decommissioning obligations.

The suspended gas well did not receive any interest from potential buyers and has therefore been sent to the Orphan Well Association of Saskatchewan by the receiver. The active oil well is anticipated to return to production or to be sold to the same third-party buyer.

As of June 30, 2023, $2,331 (June 30, 2022 - $2,331) receivable from operator 2 was included in prepaid expenses and deposits.

The decommissioning obligation is estimated based on the Company's working interest in wells that have not been reclaimed, the estimated cost to abandon and reclaim the wells and the estimated timing of the costs to be incurred in future periods. The Company estimates the undiscounted cash flows related to its decommissioning obligation is approximately $91,763 (June 30, 2022 - $83,010). The properties that remain subject to decommissioning obligations are the gas well sent to the Orphan Well Association and the active oil well. The fair value of this obligation was calculated using risk free rates between 3.69% to 4.87% (2022 – 0.93% to 1.65%), an inflation rate between 2.39% to 4.00% (2022 – 2.00% to 7.01%) and the expectation of being fully abandoned by 2036. The estimated decommissioning obligation as at June 30, 2023 and 2022 is as follows:

Balance, June 30, 2021	$	60,155
Change in estimated decommissioning obligation		7,705
Balance, June 30, 2022		67,860
Reclamation costs		(8,112)
Change in estimated decommissioning obligation		(7,632)
Balance, June 30, 2023	$	52,116

8. SHARE CAPITAL

a. Authorized

As at June 30, 2023, the authorized share capital was comprised of an unlimited number of common shares without par value. These common shares have voting rights.

b. Share issuances

On July 21, 2022, the Company completed a non-brokered private placement by issuing 30,748,000 units (a "Unit") at a price of $0.05 per Unit for gross proceeds of $1,537,400. The first tranche closed on July 15, 2022 by issuing 27,645,000 Units for gross proceeds of $1,382,700 and the second tranche closed on July 21, 2022, by issuing 3,094,000 Units for gross proceeds of $154,700. Each Unit consists of one common share (a "Common Share") and one-half Common Share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder thereof to acquire one Common Share of the Company at a price of $0.10 for a period of 24 months from the closing dates of each tranche. The Company incurred share issue costs of $31,253 in connection with this financing, of which $14,422 was incurred during the year ended June 30, 2022. The private placement involved subscription receipts of which $831,604 was received during the year ended June 30, 2022.

On May 10, 2023, the Company completed a non-brokered private placement by issuing 18,350,963 units (a “Unit”) at $0.07 per Unit for aggregate gross proceeds of $1,284,568. The first tranche closed on April 18, 2023 by issuing 6,115,250 Units for gross proceeds of $428,068 and the second tranche closed on May 10, 2023, by issuing 12,235,713 Units for gross proceeds of $856,500. Each Unit consists of one common share (a “Common Share”) and one-half Common Share purchase warrant (a “Warrant”). Each whole Warrant entitles the holder thereof to acquire one Common Share of the Company at a price of $0.14 for a period of 36 months from the respective closing dates of each tranche. The Company incurred share issue costs of $47,808 in connection with this financing.

On May 10, 2023, the Company completed a shares for debt transaction settling $474,286 of the Company's outstanding indebtedness and interest payable to Wes Adams, a director and the CEO of the Company, by issuing 6,775,521 units (a “Unit”) of the Company at a deemed price of $0.07 per Unit. Each Unit consists of one common share (a "Common Share") and one-half Common Share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder thereof to acquire one Common Share of the Company at a price of $0.14 for a period of 36 months from the closing date (Note 6).

(Expressed in Canadian dollars)

8. SHARE CAPITAL (*continued)*

c. Share Purchase Option Compensation Plan

The Company established a 10% rolling stock option plan whereby the board of directors may from time-to-time grant options to individual eligible directors, officers, employees or consultants. The maximum term of any option is five years. The exercise price of an option is not less than the closing price on the last trading day preceding the grant date, less allowable discounts in accordance with the policies of the Exchange. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options granted under the Stock Option Plan are subject to a vesting schedule whereby 25% of each option will vest on the grant date and 25% will vest on each of the three-month anniversaries of the date of grant, up to and including the end of the first year after such grant, or such other more restrictive vesting schedule as the administrator of the Stock Option Plan may determine.

A continuity of options for the year ended June 30, 2023 is as follows:

Expiry date	Exercise price ($)	June 30, 2022	Issued	Expired	June 30, 2023
December 1, 2022	0.085	2,955,000	-	(2,955,000)	-
August 4, 2023*	0.195	1,000,000	-	-	1,000,000
September 9, 2024	0.065	-	3,895,000	-	3,895,000
March 16, 2028	0.060	-	5,000,000	-	5,000,000
Options outstanding		3,955,000	8,895,000	(2,955,000)	9,895,000
Options exercisable at June 30, 2023		3,955,000	6,395,000	(2,955,000)	7,395,000
Weighted average exercise price		$ 0.11	$ 0.06	$ 0.085	$ 0.08

*Subsequently expired unexercised.

The following assumptions were used in the Black Scholes Option Pricing Model to estimate the fair value of the options:

	June 30, 2023	June 30, 2022
Risk-free interest rate	3.58% - 3.61%	0.66%
Expected stock price volatility	122% - 149%	172%
Expected option life in years	2 - 5	2
Expected dividend in yield	N/A	N/A
Forfeiture rate	N/A	N/A

(Expressed in Canadian dollars)

8. SHARE CAPITAL (*continued*)

c. Share Purchase Option Compensation Plan (*continued*)

A continuity of options for the year ended June 30, 2022 is as follows:

Expiry date	Exercise price ($)	June 30, 2021	Issued	Expired	June 30, 2022
February 27, 2022	0.12	1,200,000	-	(1,200,000)	-
December 1, 2022	0.085	2,955,000	-	-	2,955,000
August 4, 2023	0.195	-	1,000,000	-	1,000,000
Options outstanding		4,155,000	1,000,000	(1,200,000)	3,955,000
Options exercisable at June 30, 2022		4,155,000	1,000,000	(1,200,000)	3,955,000
Weighted average exercise price		$ 0.10	$ 0.195	$ 0.12	$ 0.11

The weighted average remaining life of the outstanding options as a June 30, 2023 is 1.36 years (June 30, 2022 – 0.59 year).

d. Warrants

Expiry date	Exercise price ($)	June 30, 2022	Issued	Expired	June 30, 2023
June 8, 2023	0.27	9,875,288	-	(9,875,288)	-
July 15, 2024	0.10	-	13,827,000	-	13,827,000
July 21, 2024	0.10	-	1,547,000	-	1,547,000
April 18, 2026	0.14	-	3,057,625	-	3,057,625
May 10, 2026	0.14	-	9,505,616	-	9,505,616
		9,875,288	27,937,241	(9,875,288)	27,937,241
Weighted average exercise price		$ 0.27	$ 0.12	$ 0.27	$ 0.12

The weighted average remaining life of the outstanding warrants as June 30, 2023 is 1.86 years (June 30, 2022 – 0.94 year).

e. Finder's warrants

Expiry date	Exercise price ($)	June 30, 2022	Issued	Expired	June 30, 2023
June 8, 2023	0.18	374,146	-	(374,146)	-
		374,146	-	(374,146)	-
Weighted average exercise price		$ 0.18	$ -	$ 0.18	$ -

The weighted average remaining life of the outstanding finder's warrants as June 30, 2023 is nil years (June 30, 2022 – 0.94 years).

(Expressed in Canadian dollars)

9. GENERAL AND ADMINISTRATIVE EXPENSES

The components of general and administrative expenses are as follows:

For the years ended		June 30, 2023		June 30, 2022
Investor relations	$	64,776	$	178,420
Professional fees		217,570		214,579
Regulatory and filing fees		38,070		24,136
Insurance		39,287		31,397
Other		55,024		40,248
	$	414,727	$	488,780

10. RELATED PARTY TRANSACTIONS

Payments to related parties were made in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand. All outstanding balances are unsecured, and there are no commitments or guarantees associated with the outstanding balances.

Key management personnel compensation includes all compensation paid to executive management and members of the board of directors of the Company.

Related party transactions and liabilities:

		Years ended		As at	
	Services / Loans	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Amounts due to:					
Directors & officers	Share-based payments	$ 466,692	$ 165,962	$Nil	$Nil
A private company of which the Chief Financial Officer of the Company is a shareholder (a)	Accounting and management fees	$ 67,000	$ 62,918	$Nil	$ 11,550
TOTAL:		$ 533,692	$ 228,880	$Nil	$ 11,550
Shareholders' loans due to:					
Director, Chief Executive Officer (b)	Shareholder's loan (note 6)	$ 474,286	$Nil	$Nil	$Nil
A private company of which the Chief Executive Officer of the Company is a shareholder (b)	Shareholder's loan (note 6)	$ 191,980	$Nil	$ 191,980	$Nil
TOTAL:		$ 666,266	$Nil	$ 191,980	$Nil

(a) Robert Doyle was appointed as the Chief Financial Officer effective December 1, 2020.
(b) Wes Adams was appointed as the Chief Executive Officer effective December 1, 2020.

(Expressed in Canadian dollars)

11. PREPAID EXPENSES AND DEPOSITS

As of June 30, 2023, the Company had $116,980 (June 30, 2022 - $200,050) in prepaid expenses and deposits.

		June 30, 2023		June 30, 2022
Investor relations	$	5,000	$	-
Insurance		-		7,048
Advisory services		3,729		40,294
Deposits		108,251		152,708
	$	116,980	$	200,050

12. TAXES

The following table reconciles the expected income tax expense (recovery) at Canadian statutory income tax rates to the amounts recognized in the consolidated statements of comprehensive loss for the years ended June 30, 2023 and 2022:

		June 30, 2023		June 30, 2022
Net (loss) before taxes	$	(3,124,034)	$	(1,979,092)
Statutory tax rate		27.0%		27.0%
Expected income tax (recovery)		(843,489)		(534,355)
Non-deductible items		718,910		394,113
Change in deferred tax assets not recognized		124,579		140,242
Total income tax expense (recovery)	$	-	$	-

The significant components of the Company's unrecognized deductible temporary differences are as follows:

		June 30, 2023		June 30, 2022
Exploration and evaluation assets and petroleum properties	$	2,436,121	$	2,436,121
Equipment		43,629		43,629
Share issuance costs and other		90,282		58,057
Non capital loss carryfowards		18,681,275		16,741,173
Unrecognized deductible temporary differences	$	21,251,307	$	19,278,980

(Expressed in Canadian dollars)

12. TAXES *(continued)*

As at June 30, 2023, the Company has not recognized a deferred tax asset in respect of non-capital loss carryforwards of $17,169,582 (2022: $16,651,187) which may be carried forward to apply against future years' income tax for Canadian income tax purpose, subject to the final determination by taxation authorities, expiring in the following years:

Expiry		
2043		358,891
2042		692,911
2041		687,544
2040		157,574
2039		295,580
2038		250,934
2037		282,466
2036		105,591
2035		6,582,821
2034		6,054
2033		335,329
2032		1,067,903
2031		1,145,956
2030		975,784
2029		1,294,962
2028		1,218,558
2027		894,120
2026		816,604
Total	$	17,169,582

The Company has also estimated United States non-capital loss carryforwards of $1,511,693.

13. FINANCIAL INSTRUMENTS

The fair value of the Company's cash, accounts payable and accrued liabilities and loan payable approximate their carrying values due to their current nature.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and commodity price risk.

(a) Currency risk

The Company's property interests in the United States made it subject to foreign currency fluctuations and inflationary pressures which may have adversely affected the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. As at June 30, 2023, accounts payable and accrued liabilities included accounts totaling approximately US$164,758.

13. FINANCIAL INSTRUMENTS *(continued)*

(b) Credit risk

The Company's cash is held in a Canadian financial institution.

On a monthly basis, the Company receives a joint interest billing from operator 2. To the extent that the Company's cumulative share or petroleum revenue exceeds (is less than) the related operating expenses, the Company has a receivable from (a payable to) operator 2. As at June 30, 2023, prepaid expenses and deposits included $2,331 (June 30, 2022- $2,331) receivable from operator 2.

Accordingly, the Company believes it is not exposed to significant credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and periodic financial support from management. Accounts payable and accrued liabilities of $218,140 and loan payable of $191,980 are due within the current operating year. As at June 30, 2023, the Company had cash of approximately $656,818 to meet these obligations.

(d) 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 has no interest bearing debt other than the shareholder's loan with a fixed interest rate.

(e) Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities. Prices received by the Company for its share of petroleum production are largely beyond the Company's control as oil and gas prices are impacted by world economic events that dictate the levels of supply and demand. A 1% change in price will increase/decrease net income (loss) by an immaterial amount.

The Company did not have any commodity price contracts in place as at or during the year ended June 30, 2023.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The following table sets forth the Company's financial assets classified as subsequently measured at amortized cost as at June 30, 2023 and 2022.

(Expressed in Canadian dollars)

13. FINANCIAL INSTRUMENTS *(continued)*

As at June 30, 2023		Level 1		Level 2		Level 3		Total
Assets:								
Cash	$	656,818	$	-	$	-	$	656,818
Reclamation bond		67,222		-		-		67,222
Liabilities:								
Accounts payable and accrued liabilities	$	218,140	$	-	$	-	$	218,140
Loans payable		191,980		-		-		191,980
Restoration provision		4,005		-		-		4,005

As at June 30, 2022		Level 1		Level 2		Level 3		Total
Assets:								
Cash	$	676,889	$	-	$	-	$	676,889
Reclamation bond		58,853		-		-		58,853
Liabilities:								
Accounts payable and accrued liabilities	$	300,097	$	-	$	-	$	300,097
Restoration provision		4,005		-		-		4,005

There has been no change between levels during the year.

14. MANAGEMENT OF CAPITAL RISK

The Company manages its shareholders’ equity as 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 development of its mineral and oil and gas properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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, issue new debt, acquire or dispose of assets or adjust the amount of cash and short-term investments.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company is not subject to any externally imposed capital restrictions. There has been no change in the Company’s capital management during the period.

(Expressed in Canadian dollars)

15. SEGMENTED INFORMATION

The Company operates in two industry segments, being petroleum and natural gas production and acquisition and exploration of mineral properties. The Company's assets and liabilities are held with Canada and USA as follows:

				June 30, 2023
		Canada	**USA**	**Total**
Current assets	$	563,258 $	217,336 $	780,594
Exploration and evaluation assets		-	2,175,250	2,175,250
Reclamation bond		6,186	61,036	67,222
Total liabilities	$	265,504 $	200,737 $	466,241

				June 30,2022
		Canada	**USA**	**Total**
Current assets	$	815,638 $	77,303 $	892,941
Exploration and evaluation assets		-	2,206,834	2,206,834
Reclamation bond		6,020	52,833	58,853
Total liabilities	$	363,439 $	8,523 $	371,962

16. SUBSEQUENT EVENTS

(a) On October 16, 2023, the Company completed a non-brokered private placement by issuing 19,584,155 units (a "Unit") at price of $0.08 per Unit for aggregate gross proceeds of $1,566,732. The first tranche closed on September 22, 2023 by issuing 13,004,750 units for gross proceeds of $1,040,380, and the second tranche closed on October 16, 2023, by issuing 6,579,405 Units for gross proceeds of $526,352. Each Unit consists of one common share (a "Common Share") and one-half Common Share purchase warrant (a "Warrant"). Each whole warrant entitles the holder thereof to acquire one Common Share of the Company at a price of $0.12 for a period of 36 months from the respective closing dates of each tranche.

(b) On October 16, 2023, the Company completed a shares for debt transaction settling $208,503 of the Company's outstanding indebtedness and interest payable to Wes Adams, a director and the CEO of the Company, by issuing 2,606,295 Units of the Company at a deemed price of $0.08 per Unit. Each Unit consists of one common share (a "Common Share") and one-half Common Share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder thereof to acquire one Common Share of the Company at a price of $0.12 for a period of 36 months from the closing date of the shares for debt transaction.