Newpath Resources Inc. (Formerly Ready Set Gold Corp.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2023 AND 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDIT OR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the management. The Corporation's independent auditor has not performed a review of these interim financial statements.

Newpath Resources Inc. (formerly Ready Set Gold Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
AS AT

	January 31, 2023	April 30, 2022
ASSETS		
Current assets		
Cash	$ 292,367	$ 1,649,751
Marketable securities (Note 4)	888,622	402,500
GST receivable	29,937	166,611
Prepaid expenses and deposits	750	21,515
Total current assets	1,211,676	2,240,377
Non-current assets		
Long-term deposits (Note 5)	48,186	48,186
Exploration and evaluation assets (Note 5)	741,660	525,000
Investment in associate (Note 6)	340,556	-
Derivative assets (Note 7)	242,480	-
Total assets	$ 2,584,558	$ 2,813,563
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 11)	$ 178,492	$ 270,550
Non-current liabilities		
Convertible debentures (Note 9)	1,865,990	1,752,345
Total liabilities	2,044,482	2,022,895
Equity		
Share capital (Note 10)	26,512,192	25,833,415
Reserves (Note 10)	4,568,861	4,558,116
Deficit	(30,540,977)	(29,600,863)
Total equity	540,076	790,668
Total liabilities and equity	$ 2,584,558	$ 2,813,563

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

Approved and authorized on behalf of the Board:

"Darren Collins", Director   *"Alex McAulay"*, Director

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

Newpath Resources Inc. (formerly Ready Set Gold Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended January 31, 2023	Three months ended January 31, 2022	Nine months ended January 31, 2023	Nine months ended January 31, 2022
EXPENSES				
Consulting fees (Note 11)	$ 62,365	$ 69,814	$ 88,122	$ 371,168
Management fees (Note 11)	1,210	106,231	144,224	317,069
Marketing	2,889	36,475	5,660	325,898
Office and miscellaneous	4,099	25,130	12,743	23,846
Exploration expenses	11,627	-	14,810	-
Insurance expenses	6,314	8,328	21,196	22,695
Professional fees	60,708	86,503	99,333	213,489
Share-based payments (Notes 10 and 11)	(18,503)	(62,368)	17,870	76,730
Transfer agent and regulatory fees	9,010	14,987	31,255	49,034
Payroll expense (Note 11)	71,805	(3,710)	116,197	38,898
Travel and accommodation	2,831	2,265	17,003	5,099
	214,355	283,655	568,413	1,443,926
OTHER ITEMS				
Foreign exchange gain (loss)	(2)	43,545	12,864	76,750
Transaction costs on marketable securities (Note 4)	-	-	(3,275)	-
Unrealized gain (loss) on marketable securities (Note 4)	133,902	-	(98,491)	-
Loss on derecognition of convertible debenture (Note 8)	-	-	-	(359,167)
Impairment of exploration and evaluation assets (Note 5)	(1,045)	-	(176,130)	-
Interest expense (Note 9)	(41,917)	(42,742)	(127,401)	(100,715)
Accretion expense (Note 9)	(55,216)	(49,760)	(162,304)	(115,089)
Accretion income (Note 8)	-	-	-	107,753
Unrealized gain on derivative assets (Note 7)	(118,455)	-	242,480	-
Share of loss of investment in associate (Note 6)	(31,852)	-	(59,444)	-
Total other items	**(114,585)**	**(48,957)**	**(371,701)**	**(390,468)**
Loss for the period before taxes	**(328,940)**	**(332,612)**	**(940,114)**	**(1,834,394)**
Current income tax recovery	-	-	-	52,325
Net loss and comprehensive loss	**$ (328,940)**	**$ (332,612)**	**$ (940,114)**	**$ (1,782,069)**
Loss per share				
Basic & diluted	$ (0.03)	$ (0.05)	$ (0.12)	$ (0.29)
Weighted average shares outstanding				
Basic & diluted	12,098,353	6,077,034	8,069,543	6,055,070

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

Newpath Resources Inc. (formerly Ready Set Gold Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
FOR THE NINE MONTHS ENDED JANUARY 31,

		2023		2022
CASH FLOW FROM OPERATING ACTIVITIES				
Net loss for the nine months ended	$	(940,114)	$	(1,782,069)
Items not affecting cash:				
Share-based payments		17,870		76,730
Unrealized loss on marketable securities		98,491		-
Loss on derecognition of convertible debentures		-		359,167
Impairment of exploration and evaluation assets		176,130		-
Accretion income		-		(107,753)
Accretion expense		162,305		115,089
Share of loss of investment in associate		59,444		-
Unrealized gain on derivative assets		(242,480)		-
Changes in non-cash working capital items:				
GST receivable		136,674		7,666
Prepaid expenses and deposits		20,765		292,615
Accounts payable and accrued liabilities		(92,058)		(228,406)
Net cash used in operating activities		(602,973)		(1,266,961)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES				
Acquisition of marketable securities		(584,613)		-
Exploration and evaluation expenditures		(312,790)		(189,288)
Investment in associate		(400,000)		-
Proceeds from promissory notes receivable		-		1,525,729
Net cash provided by (used in) investing activities		(1,297,403)		1,336,441
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of convertible debentures		-		2,061,617
Repayment of convertible debentures		(59,050)		-
Proceeds from issuance of shares		611,850		-
Share issuance costs		(9,808)		-
Net cash provided by financing activities		542,992		2,061,617
Change in cash		(1,357,384)		2,131,097
Cash, beginning of year		1,649,751		190,898
Cash, end of period	$	292,367	$	2,321,995

Supplemental disclosure of cash flow information:				
Cash paid for interest	$	169,575	$	-
Non-cash investing and financing activities:				
Recognition of promissory note receivable	$	-	$	1,447,688
Derecognition of convertible debenture receivable	$	-	$	(1,806,855)
Shares issued for acquisition of exploration and evaluation assets	$	80,000	$	32,000

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

Newpath Resources Inc. (formerly Ready Set Gold Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Share Capital								
	Common Shares		Amount		Reserves		Deficit		Total Equity
Balance, April 30, 2021	6,037,034	$	25,801,415	$	4,003,557	$	(18,433,703)	$	11,371,269
Shares issued for exploration and evaluation assets (Note 5)	40,000		32,000		-		-		32,000
Issuance of convertible debentures (Note 9)	-		-		399,214		-		399,214
Issuance of finders' warrants (Notes 9 and 10)	-		-		74,733		-		74,733
Share-based payments (Notes 10 and 11)	-		-		76,730		-		76,730
Loss for the nine months ended	-		-		-		(1,782,069)		(1,782,069)
Balance, January 31, 2022	6,077,034	$	25,833,415	$	4,554,234	$	(20,215,772)	$	10,171,877
Balance, April 30, 2022	6,077,034	$	25,833,415	$	4,558,116	$	(29,600,863)	$	790,668
Shares issued pursuant to private placement (Note 10)	8,740,714		611,850		-		-		611,850
Share issuance costs	-		(9,808)		-		-		(9,808)
Issuance of finders' warrants	-		(3,265)		3,265		-		-
Shares issued for exploration and evaluation assets (Note 5)	1,000,000		80,000		-		-		80,000
Repayment of convertible debt (Note 9)	-		-		(10,390)		-		(10,390)
Share-based payments (Notes 10 and 11)	-		-		17,870		-		17,870
Loss for the nine months ended	-		-		-		(940,114)		(940,114)
Balance, January 31, 2023	15,817,748	$	26,512,192	$	4,568,861	$	(30,540,977)	$	540,076

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Newpath Resources Inc. (formerly Ready Set Gold Corp.) ("Newpath" or the "Company") is a company incorporated on April 16, 2006 under the Business Corporations Act (British Columbia) as CCT Capital Ltd. The Company is now in the business of acquiring, exploring, and evaluating mineral resource properties in Canada.

On December 8, 2022, the Company changed its name from Ready Set Gold Corp. to Newpath Resources Inc. In connection with this change, the Company's Canadian Securities Exchange trading symbol was also changed from "RDY" to "PATH". The Company's head office, registered office and records office is located at Suite 220 - 333 Terminal Avenue, Vancouver, BC, Canada.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. During the nine months ended January 31, 2023, the Company incurred a net loss of $940,114 (2022 - $1,782,069) and as at January 31, 2023, had an accumulated deficit of $30,540,977 (April 30, 2022 - $29,600,863). The Company has not generated cash inflows from operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate profitability and positive cash flow. These condensed consolidated interim financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying condensed consolidated interim financial statements. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2022.

The Company's management makes judgements in its process of applying the Company's accounting policies in the preparation of its condensed consolidated interim financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended April 30, 2022. In addition, other than noted below, the accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended April 30, 2022.

The Company's interim results are not necessarily indicative of its results for a full year.

These condensed consolidated interim financial statements were authorized and issued by the Board of Directors on March 31, 2023.

(Expressed in Canadian Dollars)

Principles of Consolidation

These condensed consolidated interim financial statements are presented on a consolidated basis and include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

Entity	Place of Incorporation	Percentage Owned as at January 31, 2023 and April 30, 2022
1249319 BC Ltd.	British Columbia, Canada	100%
Ready Set Gold ON Ltd.	British Columbia, Canada	100%
8918627 Canada Ltd.	British Columbia, Canada	100%
Omni Merger Sub Inc.	California, United States	100%

All intercompany transactions and balances have been eliminated on consolidation.

Significant Accounting Judgements and Critical Accounting Estimates

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

In preparing these condensed consolidated interim financial statements, the significant accounting judgements and critical accounting estimates were generally the same as those applied to the audited financial statements as at and for the year ended April 30, 2022.

The Company had the following new judgements during the nine months ended January 31, 2023:

i) Investment in associate – The Company uses significant judgement in its assessing whether its investments in associates are subject to significant influence. Judgement is also applied in the Company's assessment of impairment indicators on its equity accounted investment and its related estimate of the recoverable amount of the investment.

The Company had the following new estimates during the nine months ended January 31, 2023:

i) Derivative assets – The Company's estimate of the fair value of its warrant investments was determined using the Black-Scholes option pricing model. This model requires the input of subjective assumptions, including the expected price volatility, option life, dividend yield and risk-free rate.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with the accounting policies disclosed in Note 3 of the audited consolidated financial statements for the year ended April 30, 2022. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2022. During the nine months ended January 31, 2023, the Company adopted additional significant accounting policies as follows:

Investment in Associate

Investment in associate is comprised of the Company's investment in Volatus Capital Corp. ("Volatus"). An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies. The Company's investment in Volatus is accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share of profit of an associate' in the statement of comprehensive loss.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

4. MARKETABLE SECURITIES

During the nine month period ended January 31, 2023, the Company acquired 1,000,000 shares in Origen Resources Inc., 456,000 shares in Nevgold Corp., and 3,894,000 shares in Cleghorn Minerals Ltd. The Company recognized costs of $3,275 associated with the acquisition of these shares in profit and loss.

During the year ended April 30, 2022, the Company acquired 500,000 shares in Forty Pillars Mining Corp, 400,000 shares in Nevgold Corp, and 300,000 shares in Opawica Explorations Inc.

	Forty Pillars Mining Corp.	Nevgold Corp.	Opawica Explorations Inc.	Origen Resources Inc.	Cleghorn Minerals Ltd.	Total
Balance, April 30, 2021	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Addition	100,000	200,000	105,000	-	-	405,000
Unrealized gain (loss)	(37,500)	56,000	(21,000)	-	-	(2,500)
Balance, April 30, 2022	**$ 62,500**	**$ 256,000**	**$ 84,000**	**$ -**	**$ -**	**$ 402,500**
Addition	-	151,080	-	199,893	233,640	584,613
Unrealized gain (loss)	(42,500)	(73,240)	(76,798)	55,107	38,940	(98,491)
Balance, January 31, 2023	**$ 20,000**	**$ 333,840**	**$ 7,202**	**$ 255,000**	**$ 272,580**	**$ 888,622**

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

The following table summarizes costs of expenditures on exploration and evaluation assets for the nine months ended January 31, 2023 and the year ended and April 30, 2022.

Acquisition costs	**Northshore Property**	**Schreiber Area Claims**	**Hemlo Eastern Flanks**	**Emmons Peak**	**Orefield Project**	**Total**
Balance, April 30, 2021	**$ 2,505,000**	**$ 25,000**	**$ 5,837,705**	**$ 12,000**	**$ -**	**$ 8,379,705**
Additions	-	-	-	47,000	-	47,000
Impairment	(2,005,000)	-	(5,837,705)	(59,000)	-	(7,901,705)
Balance, April 30, 2022	**$ 500,000**	**$ 25,000**	**$ -**	**$ -**	**$ -**	**$ 525,000**
Additions	-	-	-	-	80,000	$ 80,000
Balance, January 31, 2023	**$ 500,000**	**$ 25,000**	**$ -**	**$ -**	**$ 80,000**	**$ 605,000**

Exploration costs	**Northshore Property**	**Schreiber Area Claims**	**Hemlo Eastern Flanks**	**Emmons Peak**	**Orefield Project**	**Total**
Balance, April 30, 2021	**$ 935,390**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 935,390**
Geological consulting	88,394	-	-	-	-	88,394
Sampling	2,766	-	-	-		2,766
Magnetic survey	73,601	-	-	-	-	73,601
Equipment expenses	1,665	-	-	-	-	1,665
Drilling	45,634	-	-	-	-	45,634
Impairment	(1,147,450)	-	-	-	-	(1,147,450)
Balance, April 30, 2022	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Geological consulting	167,687	-	-	-	36,560	204,247
Sampling	1,413	-	-	-	-	1,413
Equipment expenses	7,030	-	-	-	-	7,030
Staking	-	-	-	-	100,100	100,100
Impairment	(176,130)	-	-	-	-	(176,130)
Balance, January 31, 2023	**$ -**	**$ -**	**$ -**	**$ -**	**$ 136,660**	**$ 136,660**

NET BOOK VALUE						
Balance, April 30, 2022	**$ 500,000**	**$ 25,000**	**$ -**	**$ -**	**$ -**	**$ 525,000**
Balance, January 31, 2023	**$ 500,000**	**$ 25,000**	**$ -**	**$ -**	**$ 216,660**	**$ 741,660**

The Company paid a $75,000 deposit to a vendor for drilling work on the Northshore Property. The deposit will be deducted from subsequent drilling invoices relating to future projects until fully applied. As at January 31, 2023, the Company had a remaining deposit balance of $48,186.

Northshore Property

On June 1, 2020, the Company entered a definitive agreement with CBLT Inc. ("CLBT") to acquire CLBT's right, title and interest in and to its 56% interest in the Northshore Gold Property (the "Northshore Property"), located in the Schreiber-Hemlo Greenstone Belt, 115 km west of Hemlo and 200 km east of Thunder Bay. The Company paid $25,000 upon initially signing a letter of intent ("LOI") with CLBT, and an additional $25,000 upon the signing of the definitive agreement.

Under the terms of the agreement, the Company agreed to pay CLBT cash consideration of $300,000 and issue to CLBT $1,100,000 worth of common shares in the capital of the Company. Under the terms of the agreement, the Company also agreed to consolidate its total issued and outstanding common shares on the basis of five pre-consolidation shares for one post-consolidation share prior to closing and to raise gross proceeds of not less than $1.5 million through a private placement financing ("the Financing"). However, CBLT waived the requirements for the Company to complete this share consolidation and the Financing.

On August 18, 2020, the Company completed the acquisition of CBLT's 56% interest in the Northshore Property by making a cash payment of $300,000 and issuing 366,667 Newpath shares with a fair value of $1,100,000.

On June 22, 2020, the Company signed a definitive agreement with Balmoral Resources Ltd. ("Balmoral"), a subsidiary of Wallbridge Mining Company Limited, to obtain the remaining 44% of the Northshore Property, giving the Company 100% ownership of the property. The Company paid $17,500 upon initially signing an LOI and paid an additional $17,500 upon signing the definitive agreement on June 22, 2020.

Under the terms of the agreement, the Company agreed to pay Balmoral cash consideration of $220,000, and issue to Balmoral 266,667 common shares of the Company. Under the terms of the agreement, the Company also agreed to consolidate its common shares on the basis of five pre-consolidation shares for one post-consolidation share prior to closing, and to complete the Financing as described above. Balmoral also waived the requirements for the Company to complete the consolidation and the Financing.

On August 31, 2020, the Company completed the acquisition of Balmoral's 44% interest in the Northshore Property by making a cash payment of $220,000 and issuing 266,667 common shares in the capital of the Company with a fair value of $800,000. Subsequent to the acquisition of the 44% interest, the Company officially held a 100% interest in the Northshore Property.

Impairment of the Northshore Property

During the year ended April 30, 2022, as a result of new information received regarding an updated mineral resource estimate on the Northshore Property, management determined that the carrying amount of costs capitalized to the property is unlikely to be recovered. As a result of this development, the Company performed an impairment test on its Northshore Property. The recoverable amount of the mineral property was assessed based on the property's fair value less costs of disposal given a value in use calculation is not applicable.

The recoverable amount was determined to be $500,000 using independently available market data. Based on this data, the Northshore Property was determined to have a fair value of $500,000. As this valuation technique requires management's judgment and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.

As a result of the impairment test, the carrying value of the Northshore Property was found to exceed its recoverable amount by $3,152,450. An impairment charge of $3,152,450 was applied to exploration and evaluation assets during the year-ended April 30, 2022.

During the nine months ended January 31, 2023, the company capitalized and impaired $176,130 in exploration and evaluation expenditures associated with the Northshore Property. During the period, the Company incurred fees for consulting on matters related to the Northshore Property and fees associated with a resource estimate of the Northshore Property, among other costs. In alignment with IFRS 6 and the Company's significant accounting policies, these fees and costs were initially recognized as exploration and evaluation assets as incurred. However, these assets were impaired to reflect the Northshore Property's recoverable amount of $500,000, as was reported during the year ended April 30, 2022.

Schreiber Area Claims

On August 14, 2020, the Company entered into a purchase agreement with Trillium Mining Corp. to purchase a 100% owned interest in mining rights of 11 contiguous claims comprising a total of 233.963 hectares located in the Schreiber Area of Thunder Bay Mining Division, Ontario. The Company agreed to pay Trillium Mining Corp. a cash consideration of $25,000, which the Company paid on August 18, 2020. As at January 31, 2023, all of the claims are in good standing.

Hemlo Eastern Flanks Project

On December 4, 2020, the Company entered into a share exchange agreement for Ready Set Gold ON Ltd. As a result of this amalgamation, the Company acquired Ready Set Gold ON Ltd.'s 100% undivided interest in the Hemlo Eastern Flanks property. $5,837,705 of the consideration issued to complete the Company's amalgamation with Ready Set Gold ON Ltd. was allocated to this property.

Impairment of the Hemlo Eastern Flanks Project

The Company has been engaged in ongoing consultations with local First Nations on continued exploration of its Hemlo Eastern Flanks property. Pursuant to these consultations, management determined the value of claims positioned on the property are unlikely to be sufficient to justify continued exploration and negotiation activities. As of July 2022, the Company made the decision to cease further exploration activities on the Hemlo Eastern Flanks Project. Given the indicators of impairment, a test of the recoverable amount was required. A value in use calculation was not applicable as the Company did not have any expected cash flows from using the Hemlo Eastern Flanks Project. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than $nil. As a result of this assessment, the Company recognized a $5,837,705 impairment charge against the Hemlo Eastern Flanks Project as of April 30, 2022. As this valuation technique requires management's judgment and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.

Emmons Peak Project

On June 26, 2020, the Company entered into an option agreement to acquire a 100% undivided interest in the Emmons Peak Project. This property was located 50 km south of Dryden, ON. In order to exercise the option agreement, the Company needed to make cash payments of $75,000 and issue 80,000 common shares in the capital of the Company over a period of three years from the date of the option agreement.

Impairment of the Emmons Peak Project

The Company decided to discontinue exploring its Emmons Peak property. As such, the Company terminated its option agreement to acquire an interest in this project. Given the indicators of impairment, a test of recoverable amount was required. A value in use calculation was not applicable as the Company did not have any expected cash flows from using the Emmons Peak Project. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than $nil. As a result of this assessment, the Company recognized a $59,000 impairment charge against the Emmons Peak Project during the year ended April 30, 2022 As this valuation technique required management's judgment and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.

Orefield Project

On December 7, 2022, the Company entered into an option agreement with arm's length parties to acquire a 100% interest in 949 unpatented mineral claims over approximately 204 square kilometers in northwestern Ontario.

Under the terms of the option agreement, the Company has the option to acquire a 100% interest in the mineral property by:

i. Paying all staking costs related to the project

ii. Issuing an aggregate of 500,000 common shares of the Company to the optionors on execution of the agreement (issued at fair value of $40,000)

iii. Issuing an aggregate of 1,000,000 common shares of the Company to the optionors on or before the first signing anniversary of the agreement

If the Company exercises the option, the optionors will retain a 2% net smelter returns royalty, of which 25% may be purchased by the Company for $500,000 up until the fifth signing anniversary of the agreement, and the remaining 75% of the royalty may be purchased by the Company for $2,500,000 until the tenth signing anniversary of the agreement.

Additionally, the Company has agreed to make the following advanced royalty payments to the optionors, starting on the sixth signing anniversary of the agreement:

i. $20,000 per year, between the sixth and tenth signing anniversaries;

ii. $40,000 per year, between the 11th and 20th signing anniversaries; and

iii. $500,000 as a one-time payment on the 21st signing anniversary.

These payments will be deducted from any royalty payments. There is no exploration expenditure commitment contemplated in the agreement.

The Company has also agreed to pay a finder's fee of 500,000 common shares to an arm's length party for contributions in securing the agreement. The common shares were issued at the date of the agreement at a fair value of $40,000.

6. INVESTMENT IN ASSOCIATE

On September 6, 2022, Volatus, a company listed on the CSE which conducts exploration and evaluation operations, closed the first tranche of a non-brokered private placement for $717,500 through the issuance of 4,750,000 flow through units and 9,600,000 non-flow through units at $0.05 per unit. Each unit consists of one common share and one common share purchase warrant, entitling the holder to purchase one common share of Volatus at $0.06 per share expiring September 6, 2027.

In connection with the private placement, the Company acquired 8,000,000 non-flow through units of Volatus for $400,000. At the time of the acquisition, the 8,000,00 units represented 24.65% of shares outstanding, or 30.65% of the potential voting rights of Volatus including unexercised warrants. As at January 31, 2023, the Company's share ownership was reduced to 23.02%, and potential voting rights were diluted to 28.17%. The Company and Volatus also have common directors and managerial personnel. Based on these factors, management has assessed that the Company has significant influence over Volatus and that the investment should be accounted for using the equity method of accounting.

The opening balance of the investment was determined to be $400,000, which represents the fair value of the Company's share of Volatus' net assets. The fair value of the Volatus net assets was determined based on the private placement financing closed by the entity on September 6, 2022. The Company's share of net loss for the period was $59,444. The portion of net loss attributable to the Company was determined using the percentage of voting rights held by the Company throughout the period.

Summarized financial information of Volatus and a reconciliation of the carrying amount of the investment in the condensed consolidated interim financial statements are set out below:

Summarized Statement of Financial Position
(Expressed in Canadian Dollars)

As at		**January 31, 2023**
ASSETS		
Current assets		
Cash	$	2,578
Amounts receivable		23,038
Marketable securities		71,975
Total current assets		97,591
Non-current assets		
Investment in Leigh Creek		3,887,170
Exploration and evaluation assets		7,032,718
Reclamation deposit		30,000
Total assets	$	11,047,479
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$	948,910
Loans payable		36,872
Total liabilities		985,782
Equity		
Share capital		12,022,337
Reserves		180,529
Deficit		(2,141,169)
Total equity		10,061,697
Total liabilities and equity	$	11,047,479

Summarized Statement of Loss
(Expressed in Canadian Dollars)

		Period from September 6 to January 31, 2023
EXPENSES		
Interest on loans payable	$	824
Investor relations		150
Management, director and consulting fees		163,695
Office and miscellaneous		16,182
Professional fees		36,912
Realized loss on marketable securities		975
Rent		6,900
Transfer agent and filing fees		4,230
Realized loss on marketable securities		2,770
Unrealized loss on marketable securities		23,220
Loss and comprehensive loss for the period	$	(255,858)
Share of loss for the period	$	(59,444)

A continuity of the Company's investment in associate is as follows:

		Carrying Value of Investment in Associate
Balance, April 30, 2022	**$**	**-**
Initial investment		400,000
Company's share of net loss		(59,444)
Balance, January 31, 2023	**$**	**340,556**

7. DERIVATIVE ASSETS

In connection with its investment in Volatus (Note 6), the Company also received 8,000,000 share purchase warrants. The warrants were determined to be a separable derivative instrument as they are transferable under the subscription agreement and are classified as a financial asset. The warrants are measured at fair value through profit or loss and were classified within Level 2 of the fair value hierarchy.

The warrants were valued using the Black-Scholes option pricing model with the following inputs: share price of $0.05, exercise price of $0.06, expected life of 4.85 years, volatility of 151% and risk-free interest rate of 3.54%. These inputs were determined based on the terms of the warrants, listed share prices for Volatus and publicly available interest rate information.

As at January 31, 2023, the Company's warrants were valued at $242,480 (April 30, 2022 - $Nil). In connection with its warrant revaluations, the Company recognized a $242,480 (2022 - $Nil) unrealized gain on derivative assets.

(Expressed in Canadian Dollars)

Sensitivity Analysis to Significant Changes in Observable Inputs Within the Level 2 Hierarchy

The significant inputs used in the fair value measurement categorized within Level 2 of the fair value hierarchy at January 31, 2023, and resulting changes in profit or loss from modifying these inputs, are shown below:

Description	Input	Sensitivity		**January 31, 2023**
Warrants	Share price	10%	$	26,082
Warrants	Volatility	10%	$	10,617
Warrants	Risk-free interest rate	10%	$	254

During the nine months ended January 31, 2023, there were no transfers into or out of Level 1, 2 or 3 investments.

8. PROMISSORY NOTE RECEIVABLE

On May 11, 2020 the Company completed an amalgamation between Ready Set Subco (a wholly owned subsidiary of Newpath) and 1204970 B.C. Ltd. (the amalgamated entity is 1249319 BC Ltd.). At the time of the amalgamation, 1204970 B.C. Ltd held a convertible debenture receivable from Dreamfields Brands Inc. with an estimated fair value of $1,531,023 (the "Dreamfields Debenture") derived by discounting the expected future cash flows using an estimated fair value interest rate of 15%. This interest rate was based on other companies of comparable size with similar risk profiles. The Dreamfields Debenture bore interest at 8% per annum and had a maturity date of October 28, 2021.

On June 10, 2021, the Company agreed to replace the Dreamfields Debenture with a promissory note (the "Dreamfields Note") receivable of USD$1,259,064 (CDN$1,523,945). The Dreamfields Note bore interest at 8% per annum and matured on October 28, 2021. On the replacement date, the Company derecognized the Dreamfields Debenture, then with a carrying value of $1,806,855, and recognized the Dreamfields Note at its fair value of $1,447,688. The fair value of the Dreamfields Note was determined by discounting the expected future cash flows using an estimated fair value interest rate of 15%. The Company recognized a loss of $359,167 on the conversion of the Dreamfields Debenture to the Dreamfields Note.

The Dreamfields Note was collected in full during the year ended April 30, 2022. Interest income of $107,753 ($78,041 attributable to the Dreamfields Note and $29,712 attributable to the Dreamfields Debenture) was recorded during the nine months ended October 31, 2021.

9. CONVERTIBLE DEBENTURES

During the year ended April 30, 2022, the Company closed a private placement of 2,261 units (the "Units") priced at $1,000 per Unit as follows:

a) The Company closed Tranche 1 on June 21, 2021, issuing 1,820 Units for gross proceeds of $1,820,000

b) The Company closed Tranche 2 on July 28, 2021, issuing 441 Units for gross proceeds of $441,000

Each Unit is comprised of:

i. A $1,000 convertible debenture principal amount, bearing interest at 7.5% per annum and increasing to 9% in the third year following issuance. Interest is payable annually, up to and including the maturity date which is three years from the date of issuance.

ii. 667 common share purchase warrants of the Company. Each warrant will be exercisable at a price of $2.35 per warrant share for a period of three years from the date of issuance. A total of 1,507,635 warrants were issued.

The principal amount of the debentures may be converted, in whole or in part, at any time before the maturity date into units at $1.35 per common share. After 24 months from the closing date, if the common shares trade at or above

(Expressed in Canadian Dollars)

$4.50 or 233% of the conversion price on a 30-day volume-weighted average price basis on the CSE, the Company shall have the right, exercisable within 10 business days of the end of the trading period, to require conversion of the debentures into debenture shares at the conversion price by giving the holder 10 business days' prior written notice.

The convertible debentures were determined to be a financial instrument comprising an equity classified conversion feature with a host debt component. On initial recognition, the Company used the residual value method to allocate the principal amount of the convertible debentures between the two components. The host debt component was first valued, based on similar debt securities without an embedded conversion feature and the residual was allocated to the equity-classified conversion feature. Based on this valuation approach, a discount rate of 15% was used in valuing the host debt component. The equity-classified conversion feature was also split into the warrant portion and the common share portion (Note 10).

In connection with the issuance of the convertible debentures, the Company:

a) Issued an aggregate of 77,135 finders' warrants, valued at $74,733 based on their grant date fair value determined using the Black-Scholes Option Pricing Model (Note 10).

b) Incurred $199,382 in directly attributable cash transaction costs for finders' fees.

The transaction costs were allocated consistent with the initial recognition of the convertible debentures which resulted in $219,039 and $55,077 being allocated to the debt and equity components, respectively.

A continuity of the Company's convertible debentures is as follows:

		Carrying Value of Convertible Debentures
Balance, April 30, 2021	$	-
Issued during the year		2,261,000
Conversion feature		(244,240)
Warrants		(210,051)
Transaction costs		(219,039)
Accretion		164,675
Balance, April 30, 2022	**$**	**1,752,345**
Accretion		162,304
Repayment		(48,659)
Balance, January 31, 2023	**$**	**1,865,990**

As of January 31, 2023, $99,890 in interest was accrued on the convertible debentures (April 30, 2022 - $142,064).

10. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of voting common shares without par value.
Unlimited number of preferred shares without par value.

b) Issued share capital

As at January 31, 2023, the Company had 15,817,748 common shares issued and outstanding (April 30, 2022 – 6,077,034). At January 31, 2023, 103,664 shares were in escrow. These shares are to be released from escrow in equal traches of 51,832 shares on July 11, 2023 and January 11, 2024.

On August 15, 2022, the Company effected a consolidation of its total issued and outstanding common shares on the basis of five pre-consolidation Newpath Shares for one post-consolidation Newpath Share. The references to the number of common shares, options and warrants, have been adjusted retroactively to reflect the share consolidation. The exercise or conversion price of, and the number of common shares issuable under any securities of the Company has been proportionally adjusted upon the completion of the share consolidation.

During the nine months ended January 31, 2023:

On November 24, 2022, the Company closed a non-brokered private placement. The Company issued 6,812,143 units of the Company at a price of $0.07 per unit for gross proceeds $476,850. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant is exercisable for a period of five years from the date of issuance at an exercise price of $0.09 per share.

In connection with the private placement, the Company paid finder's fees of $3,543 and issued an aggregate of 50,614 warrants. Each finder warrant is exercisable for a period of three years from the date of issuance at an exercise price of $0.27 per share.

On December 12, 2022, the Company issued 1,000,000 shares with a fair value of $80,000 as part of the requirements to acquire 100% interest in 949 unpatented mineral claims over approximately 204 square kilometers in northwestern Ontario (Note 5).

On January 13, 2023, the Company closed a private placement. The Company issued 1,928,571 units of the Company at a price of $0.07 per unit for gross proceeds of $135,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant is exercisable for a period of five years from the date of issuance at an exercise price of $0.09 per share.

In connection with the private placement, the Company paid finders' fees of $6,265.

During the nine months ended January 31, 2022:

The Company issued 40,000 common shares with estimated fair value of $32,000 as part of the requirements to exercise the option to acquire a 100% undivided interest in the Emmons Peak Project.

c) Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company.

(Expressed in Canadian Dollars)

Stock option transactions and the number of share options outstanding are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, April 30, 2021	**569,000**	**$**	**3.45**
Granted	770,000		0.80
Expired	(432,750)		(3.40)
Balance, April 30, 2022	**906,250**	**$**	**1.20**
Cancelled	(90,000)		(0.74)
Expired	(121,250)		(2.32)
Balance, January 31, 2023	**695,000**	**$**	**1.07**
Number of options, exercisable	**628,333**	**$**	**1.11**

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

Outstanding Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date
100,000	100,000	$3.00	December 4, 2025
25,000	25,000	$1.25	May 19, 2026
30,000	30,000	$1.25	June 1, 2026
10,000	10,000	$1.25	November 29, 2026
40,000	40,000	$0.85	November 29, 2026
190,000	190,000	$0.60	January 17, 2027
250,000	187,500	$0.70	February 11, 2027
50,000	45,833	$0.78	February 21, 2027
695,000	**628,333**		

During the nine months ended January 31, 2023, 90,000 (2022 – 224,750) options were forfeited. These Forfeitures resulted in a $39,456 (2022 – $131,461) recovery of share-based payment expenses.

During the nine months ended January 31, 2023, 121,250 (2022 – 91,250) options of several directors were modified to expire one year after the date of resignation. No incremental share-based payment expense was recognized in association with this modification due to the options decreasing in value post-modification.

During the nine months ended January 31, 2022, the Company granted 420,000 options to directors and officers of the Company: 50,000 of these options vest quarterly over a period of one year following the grant date of May 25, 2021, 30,000 options vest quarterly over a period of one year following the grant date of June 1, 2021, and 40,000 options vest quarterly over a period of one year following the grant date of June 14, 2021. 90,000 of the options vest quarterly over a period of one year following the grant date of November 29, 2021. 210,000 of the options vested immediately on the grant date of January 17, 2022. These options were valued using the Black-Scholes option pricing model with the following inputs: share price of $0.60 - $1.05, exercise price of $0.60 - $1.25, expected life of 5 years, volatility of 181% - 216% and risk-free interest rate of 0.73% - 1.61%. These inputs were determined based on the terms outlined in the respective option agreements, the Company's share prices and publicly available interest rate information.

During the nine months ended January 31, 2023, the Company recognized $17,870 (2022 – $76,730) in share-based compensation.

As of January 31, 2023, the weighted average remaining contractual life of outstanding options is 3.77 years (April 30, 2022 – 4.00 years).

(Expressed in Canadian Dollars)

d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, April 30, 2021	**939,359**	**$**	**5.00**
Granted	1,584,770		2.35
Expired	-		-
Balance, April 30, 2022	**2,524,129**	**$**	**3.33**
Granted	8,791,328		1.35
Expired	(939,359)		4.98
Balance, January 31, 2023	**10,376,098**	**$**	**0.44**

As at January 31, 2023, the following warrants were exercisable:

Outstanding and Exercisable Number of Warrants	Exercise Price	Expiry Date
1,286,391	$2.35	June 21, 2024
298,379	$2.35	July 28, 2024
50,614	$0.27	November 24, 2025
6,812,143	$0.09	November 24, 2027
1,928,571	$0.09	January 13, 2028
10,376,098		

During the nine months ended January 31, 2023, the Company granted 6,812,143 warrants pursuant to the private placement closed on November 24, 2022. The warrants were assigned a value of $nil based on the residual value method. The warrants are exercisable at a price of $0.09, for a period of five years. The Company also granted 1,928,571 warrants pursuant to the private placement closed on January 13, 2023. The warrants were assigned a value of $nil based on the residual value method. The warrants are exercisable at a price of $0.09 for a period of five years.

During the nine months ended January 31, 2023, the Company granted 50,614 finders' warrants in connection with the private placement above. The finders' warrants were valued at $3,265 using the Black-Scholes option pricing model with the following inputs: share price of $0.08, exercise price of $0.27, expected life of 3 years, volatility of 182% and risk-free interest rate of 3.64%.

The Company granted 1,507,635 warrants during the nine months ended January 31, 2022, pursuant to the issuance of the convertible debentures (Note 9). A value of $192,371 (2021 - $Nil) was assigned to the warrants based on their proportion of the equity component of the convertible debenture reserve. This proportion was determined based on the relative fair value of the warrants relative to the value of the convertible debenture conversion feature. The fair value for these warrants was valued using the Black Scholes option pricing model with the following inputs: share price of $0.95 - $1.20, exercise price of $1.35, expected life of 3 years, volatility of 179% - 180% and risk-free interest rate of 0.38% - 0.44%.

The Company also granted 77,135 finders' warrants in conjunction with the convertible debenture financing. The finders' warrants were valued at $74,733 using Black-Scholes option pricing model with the following inputs: share price of $0.95 - $1.20, exercise price of $2.35, expected life of 3 years, volatility of 179% - 180% and risk-free interest rate of 0.38% - 0.44%.

(Expressed in Canadian Dollars)

Black Scholes inputs were determined based on the terms outlined in the respective warrant agreements, the Company's share prices and publicly available interest rate information.

As of January 31, 2023, the weighted average remaining contractual life of outstanding warrants is 4.31 years (April 30, 2022 – 1.53 years).

e) Reserves

As at January 31, 2023, the Company had the following reserves:

		Share-based Payments	Convertible Debenture Conversion Feature	Total
Balance, April 30, 2021	**$**	**4,003,557**	**-**	**4,003,557**
Issuance of convertible debentures		210,051	244,240	454,291
Transaction costs		(25,467)	(29,610)	(55,077)
Deferred income tax recovery		-	(107,788)	(107,788)
Issuance of finders' warrants		74,733	-	74,733
Share-based payments		188,400	-	188,400
Balance, April 30, 2022	**$**	**4,451,274**	**106,842**	**4,558,116**
Repayment of convertible debentures		-	(10,390)	(10,390)
Issuance of finders' warrants		3,265	-	3,265
Share-based payments		17,870	-	17,870
Balance at January 31, 2023	**$**	**4,472,409**	**96,452**	**4,568,861**

11. RELATED PARTY BALANCES AND TRANSACTIONS

The Company has determined that key management personnel consists of the Company's Board of Directors and its executive officers. During the nine months ended January 31, 2023 and 2022, the Company incurred the following fees charged by directors and officers and companies controlled by directors and officers of the Company:

	Nature of transactions		For the nine months ended January 31, 2023		2022
Key management personnel:					
Company controlled by current CEO	Management	$	98,886	$	104,819
Current directors	Management		93,750		164,000
Former directors	Management		9,500		4,100
Company controlled by a former director	Management		-		-
Former VP of Exploration	Management		-		45,000
Current CEO	Payroll		46,800		2,500
Current CFO	Payroll		14,040		750
Former directors	Payroll		-		7,600
Former VP of Exploration	Payroll		-		24,695
Total		**$**	**262,976**	**$**	**353,464**

(Expressed in Canadian Dollars)

In addition to management, payroll, and consulting fees, during the nine months ended January 31, 2023, $33,964 (2022 - $238,893) in share-based payments expenses were incurred by the Company in relation to options granted to directors and officers of the Company.

At January 31, 2023, $13,328 (April 30, 2022 - $32,612) was owed to related parties in management fees payable. These amounts are non-interest bearing, unsecured and due on demand.

12. FINANCIAL INSTRUMENTS AND RISK

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash	Fair Value through Profit and Loss
Marketable securities	Fair Value through Profit and Loss
Investment in associate	Fair Value through Profit and Loss
Derivative assets	Fair Value through Profit and Loss
Accounts payable and accrued liabilities	Amortized Cost
Convertible debentures	Amortized Cost

The fair value of accounts payable and accrued liabilities approximates its carrying amount due to its short-term nature. The carrying value of the Company's convertible debenture approximates its fair value due to minimal changes in interest rates and the Company's credit risk on the instruments. Cash, marketable securities and investment in associate are measured at fair value using level 1 inputs. Derivative assets are measured at fair value using level 2 inputs.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations. The Company's financial instrument that is exposed to concentrations of credit risk is primarily cash. The Company limits its exposure to credit risk with respect to cash by holding it with major Canadian financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2023, the Company had a cash balance of $292,367 (April 30, 2022 - $1,649,751) to settle current liabilities of $178,492 (April 30, 2022 - $270,550). All of the Company's trade payables have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company's convertible debentures are due on June 1, 2024 and July 28, 2024 (Note 9).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company has cash balances and convertible debentures that bear interest at 7.5% per annum. The Company is satisfied with the credit ratings of its banks and the interest rate on the convertible debenture is fixed. The Company believes it is not currently subject to significant interest rate risk.

b) Foreign currency risk

Foreign exchange risk arises from fluctuations in the future cash flows of a financial instrument because of changes in foreign exchange rates. As at January 31, 2023, the Company was not exposed to foreign exchange risk.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company's marketable securities and derivative assets are valued either directly or indirectly based on quoted prices and are therefore directly affected by fluctuations in the market value of the underlying securities. Assuming all other variables remain constant, a 10% change in the quoted prices of the Company's marketable securities would result in an approximate $90,000 change in profit or loss. A 10% change in the quoted price of the underlying securities pertaining to the Company's derivative assets would result in an approximate $26,000 change in profit or loss. See Note 7 for more information on derivative asset sensitivity.

13. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its capital, which comprises all components of equity (i.e., share capital, reserves and deficit) and convertible debentures.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements or raise funds through the issuance of convertible debentures. The Company is not exposed to any externally imposed capital requirements.

No changes were made to capital management during the nine months ended January 31, 2023.

14. SEGMENTED INFORMATION

During the nine months ended January 31, 2023, the Company continued its one business segment in the mining sector. All long-term assets are located in Canada.

15. SUBSEQUENT EVENTS

On February 24, 2023, the Company agreed to grant 400,000 stock options to a consultant. The options are exercisable at a price of $0.25 per share, vesting immediately, and expire two years from the date of grant.

On February 27, 2023, the Company announced the appointment of its Chief Operating Officer. Starting May 1, 2023, $10,000 worth of discretionary restricted share units will be awarded monthly to this officer based on the closing price of the Company's common shares trading on the Canadian Securities Exchange (the "CSE") on the last day of the preceding month. The Company may issue up to a maximum of 1,581,774 restricted share units to the officer in a given 12-month period.

On February 11, 2023, the Company's shareholders approved the adoption of a new hybrid equity compensation plan. Under the new plan, the maximum number of shares issuable pursuant to options shall be equal to 10% of the then issued and outstanding shares on a rolling basis. In addition, the maximum number of shares issuable pursuant to share appreciation rights, restricted share units, deferred share units and performance share units shall not exceed 1,581,775 shares, representing 10% of the Company's issued and outstanding shares as of the effective date of the plan. The exercise price of such units shall be determined by the Board of Directors and must be at least equal to the closing price of Company's shares on the CSE on the day immediately prior to the grant date. Units are non-transferable and may be granted for a maximum of ten years from the date of issuance.