FANCAMP EXPLORATION LTD.

Annual Consolidated Financial Statements

For the years ended April 30, 2023 and 2022

(Audited - Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Fancamp Exploration Ltd.:

Opinion

We have audited the consolidated financial statements of Fancamp Exploration Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at April 30, 2023 and April 30, 2022, and the consolidated statements of operations and comprehensive income (loss), changes in equity 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 consolidated financial position of the Group as at April 30, 2023 and April 30, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 Group in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

Determining Accounting Treatment for Equity Investments

Key Audit Matter Description

We draw attention to Notes 3 and 8 to the consolidated financial statements.

We considered the determination of accounting treatment for equity investments with potential significant influence to be a key audit matter as we consider it is a significant risk under auditing standards, it required a high degree of judgement and it involved the most communication with key management personnel.

Audit Response

We responded to this matter by performing procedures in relation to these investments. Our audit work in relation to this included, but was not restricted to, the following:

- Reviewed relevant documentation related to each equity investment and inquired nature of each investment with management;
- Obtained and reviewed management's assessment of significant influence over the investees;
- Assessed whether the Group has significant influence over each of the investees; and
- Reviewed management's accounting treatments on each of the investments to ensure they are done properly either under IAS 28 or under IFRS 9.

Magpie Deconsolidation

Key Audit Matter Description

We draw attention to Note 17 to the consolidated financial statements.

The deconsolidation of The Magpie Mines is a complex transaction that require significant judgement and determination around the control of the entity. There is a risk that the transaction is not accounted for and disclosed correctly under IFRS and therefore considered a key audit matter.

Audit Response

We responded to this matter by performing procedures in relation to the Magpie deconsolidation. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained management's control assessment over The Magpie Mines Inc. and enquired management to obtain a thorough understanding of the situation;
- Obtained audit evidence to corroborate management's statements included in its control assessment;
- Obtained and reviewed management's entries at the consolidation level to deconsolidate the financial information of The Magpie Mines properly; and
- Reviewed the notes to the consolidated financial statements to ensure that sufficient and appropriate disclosure is included.

Sale of Mineral Properties to KWG Resources Inc. and Valuation of Consideration Received

Key Audit Matter Description

We draw attention to Notes 3 and 7 to the consolidated financial statements.

The Group entered into a sales transaction to transfer its rights, title and interests in the Koper Lake-McFaulds property and a one-time payment of $1,500,000 to KWG Resources Inc. In return, the Group received a $34,500,000 promissory note receivable, 4,044,453 share purchase warrants and 2% NSR.

The accounting for convertible promissory note receivable and consideration warrants on initial recognition is complex and requires judgement and estimation. Audit procedures performed to evaluate the reasonableness of the estimates and assumptions used required a high degree of auditor judgement and an increased extent of audit effort, including the involvement of valuations specialists. This is considered a key audit matter given the complexity of the transaction.

Audit Response

We responded to this matter by performing procedures in relation to this transaction. Our audit work in relation to this included, but was not restricted to, the following:

- Reviewed the agreement and other relevant document to understand the structure and arrangement, and each party's rights and obligations;
- Reviewed and assessed the accounting policy used by management in its accounting assessment to ensure the accounting treatment is appropriate and in compliance with IFRS;
- Obtained and reviewed the promissory note received during the year;
- Obtained the valuation model used by management for the determination of fair value of the promissory note and consideration warrants both at the transaction date and at the year end;
- Engaged an internal expert to assess the reasonableness of management's FV assessments; and
- Reviewed the notes to the consolidated financial statements to ensure that sufficient and appropriate disclosure is included.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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 audits 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 audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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 International Financial Reporting Standards, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 judgement 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 Group'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jian-Kun Xu.

Vancouver, British Columbia

MNP LLP

October 24, 2023

Chartered Professional Accountants

FANCAMP EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Expressed in Canadian Dollars

		April 30 2023		April 30 2022
Assets				
Current Assets				
Cash	$	2,367,943	$	5,462,839
Short Term Investment		1,031,845		-
Marketable Securities and Warrants (Note 5)		20,950,180		22,808,265
Prepaid for Investment Shares		195,000		-
Other Receivable Net of Allowance for Doubtful Accounts (Note 6)		831		50
Sales Taxes Refundable		42,650		136,760
Investment Tax Credits Receivable		236,642		26,878
Accrued Mining Duty Receivable		48,406		5,529
Prepaid Expenses		66,924		81,820
		24,940,421		28,522,141
Non-Current Assets				
Equipment		7,679		3,624
Convertible Promissory Note (Note 7)		19,060,000		-
Investments in Associates (Note 8)		3,069,431		-
Exploration and Evaluation Assets (Note 9)		6,611,548		13,151,637
Total Assets	**$**	**53,689,079**	**$**	**41,677,402**
Liabilities				
Current Liabilities				
Accounts Payable and Accrued Liabilities	$	242,546	$	300,598
Due to Related Parties (Note 11)		18,401		406,190
Income Tax Payable (Note 12)		6,665,113		-
Pilot Plant Grant Obligation		-		144,187
		6,926,060		850,975
Non-Current Liabilities				
Deferred Tax Liabilities (Note 12)		3,667,164		3,266,484
Deferred Quebec Mining Duties		406,099		357,693
Total Liabilities		10,999,323		4,475,152
Equity				
Share Capital (Note 10)		41,600,664		41,600,664
Contributed Surplus		14,525,209		14,500,742
Deficit		(13,436,117)		(18,805,886)
Equity Attributable to Equity Holders of Parent		42,689,756		37,295,520
Non-controlling Interest		-		(93,270)
Total Equity		**42,689,756**		**37,202,250**
Total Liabilities and Equity	**$**	**53,689,079**	**$**	**41,677,402**

Contingencies (Note 15)
Subsequent events (Note 17)

On behalf of the Board, approved on October 24, 2023:

"Rajesh Sharma"	**"Mark Billings"**
CEO, Director	Director

(The accompanying notes are an intregal part of these consolidated financial statements)

FANCAMP EXPLORATION LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Expressed in Canadian Dollars, except share amounts

	Year Ended April 30, 2023	Year Ended April 30, 2022
Expenses		
Accounting and Audit	242,900	184,060
Amortization	2,245	-
Directors and Committee Fees (Note 11)	120,000	290,500
Field Administration	221,761	132,668
Insurance	28,375	42,702
Interest Expenses and Bank Charges	1,473	3,783
Investor Relations	65,500	9,000
Legal Fees	741,018	1,496,762
Management and Consulting	334,075	918,963
Marketing and Promotion	18,706	13,336
Mineral Property Sundry Expenses	7,682	6,626
New Project Examinations	-	254,200
Office Rent, Supplies and Services	62,056	345,232
Patent Expense	24,586	22,659
Share Transfer, Listing and Filing Fees	21,846	39,234
Stock Based Compensation (Note 10)	24,467	1,282,002
Technical Fees and Process Development	80,000	31,786
Trade Show s and Presentations	10,876	5,431
Travel and Accomodations	58,444	34,762
Wages, Salaries, Payroll Expenses	9,071	3,839
Total Expenses	2,075,081	5,117,545
Net Loss from Operations	(2,075,081)	(5,117,545)
Gain from Sale of Mineral Property and Royalty Interests (Note 9)	10,971,062	1,060,851
Recovery of Impairment on Patent and Process	-	1,689
Impairment of Exploration and Evaluation Assets (Note 9)	(359,842)	(708,238)
Recovery of Exploration and Evaluation Assets	-	39,354
Gain on Deconsolidation of a Subsidiary (Note 16)	429,696	-
Interest Income (Note 7)	1,100,988	-
Dividends Received on Investments (Note 5)	620,000	310,000
Equity Interest Loss (Note 8)	(283,308)	-
Unrealized Gain on Convertible Promissory Note (Note 7)	2,810,000	-
Gain on Marketable Securities (Note 5)	313,740	-
Unrealized Loss on Marketable Securities (Note 5)	(1,091,693)	(633,224)
Net Income (Loss) before Taxes	**12,435,562**	**(5,047,113)**
Current Tax Expense	(6,665,113)	-
Deferred Tax Expense	(400,680)	717,073
Net Income (Loss) and Comprehensive Income (Loss) for the Year	**5,369,769**	**(4,330,040)**
Net Income (Loss) and Comprehensive Income (Loss) Attributable to:		
Equity Shareholders of the Company	5,369,769	(4,328,788)
Non-controlling Interests	-	(1,252)
	$ 5,369,769	**$ (4,330,040)**
Net Income (Loss) Per Share - Basic and Diliuted	$ 0.03	$ (0.02)
Weighted Average Number of Shares Outstanding - Basic	176,518,296	175,763,775
Weighted Average Number of Shares Outstanding - Fully Diluted	176,518,296	175,763,775

(The accompanying notes are an intregal part of these consolidated financial statements)

FANCAMP EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Express in Canadian Dollars, except share amounts

	Number of Shares	Capital Stock $	Contributed Surplus $	Income (Deficit) $	Total $	Non-controlling Interest $	Total equity $
Balance, April 30, 2021	166,318,296	39,716,817	13,987,587	(14,477,098)	39,227,306	(92,018)	39,135,288
Shares Issued for Exercise of Options (Note 10)	10,200,000	1,883,847	(768,847)	-	1,115,000	-	1,115,000
Stock Based Compensation	-	-	1,282,002	-	1,282,002	-	1,282,002
Net Income (Loss) for the Year	-	-	-	(4,328,788)	(4,328,788)	(1,252)	(4,330,040)
Balance, April 30, 2022	176,518,296	41,600,664	14,500,742	(18,805,886)	37,295,520	(93,270)	37,202,250
Balance, April 30, 2022	176,518,296	41,600,664	14,500,742	(18,805,886)	37,295,520	(93,270)	37,202,250
Stock Based Compensation	-	-	24,467	-	24,467	-	24,467
Net Income for the Year	-	-	-	5,369,769	5,369,769	93,270	5,463,039
Balance, April 30, 2023	176,518,296	41,600,664	14,525,209	(13,436,117)	42,689,756	-	42,689,756

(The accompanying notes are an intregal part of these consolidated financial statements)

FANCAMP EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Expressed in Canada Dollars

	Year Ended April 30, 2023	Year Ended April 30, 2022
Operating Activities		
Net Income (Loss) for the Year	$ 5,369,769	$ (4,330,040)
Items Not Affecting Cash in the Year		
Amortization and Depreciation	2,245	-
Interest Income	(1,052,666)	-
Current Income Tax Expense	6,665,113	-
Deferred Income Tax Recovery	400,680	(717,073)
Impairment of Exploration and Evaluation Assets	359,842	708,238
Gain from Sale of Mineral Propery and Royalty Interests	(10,971,062)	(1,060,851)
Investment in Associates	283,308	-
Stock Based Compensation	24,467	1,282,002
Gain on Deconsolidation of a Subsidiary	(429,696)	-
(Gain) Loss from Disposal of Marketable Securities	(313,740)	-
Unrealized Gain on Convertible Promissory Note	(2,810,000)	-
Unrealized Loss on Marketable Securities	1,091,693	633,224
	(1,380,047)	(3,484,500)
Changes in Non-Cash Working Capital Items		
Sales Tax Refundable	94,110	(53,868)
ITC's, Mining Duties Receivable	(252,641)	(26,878)
Prepaid Expenses	14,896	58,779
Accounts Receivable	(781)	-
Accounts Payable and Accrued Liabilities	(58,052)	(217,643)
Due to Related Parties	3,919	(27,349)
	(1,578,596)	(3,751,459)
Investing Activities		
Sale of Marketable Securities	2,894,360	-
Purchase of Marketable Securities	(1,034,790)	(2,443,200)
Purchase of Short Term Investment	(1,000,000)	-
Purchase of Promissory Convertible Note and Warrants	(1,500,000)	-
Purchase of Equipment	(6,300)	(3,624)
Settlement of Mineral Properties Royalties	-	46,772
Investment in Associates	(325,000)	-
Sale of Mineral Property and Royalty Interests	50,000	1,300,000
Exploration and Evaluation Assets	(594,570)	(1,158,434)
Total Investing Activities	(1,516,300)	(2,258,486)
Financing Activities		
Shares issued for Cash , net of Share Issuance Costs	-	1,115,000
Total Financing Activities	-	1,115,000
Decrease in Cash	(3,094,896)	(4,894,945)
Cash, Beginning of the Year	5,462,839	10,357,784
Cash, End of the Year	**$ 2,367,943**	**$ 5,462,839**

(The accompanying notes are an intregal part of these consolidated financial statements)

Note 1 – Nature and Continuance of Operations

Fancamp Exploration Ltd. (the "Group" or "Fancamp") was incorporated under the laws of the Province of British Columbia. The Group owns interests in mineral properties in the Provinces of Ontario, Quebec and New Brunswick, Canada. Fancamp is an exploration stage enterprise in the business of mineral exploration. It is in the process of exploring its mineral properties interests and has not yet determined whether these properties contain ore reserves that are economically recoverable. The address of its head office is 7290 Gray Avenue, Burnaby, BC, V5J 3Z2 and registered office is 19th Floor, 885 West Georgia Street, Vancouver, B.C. V6C 3H4. The Group's financial year end is April 30. The Group's consolidated financial statements for the years ended April 30, 2023, and 2022 were approved by the Board of Directors on October 24, 2023.

On May 5, 2023, the World Health Organization declared the end to the COVID-19 public health emergency. The Group did not experience a material negative impact to its business, results of operations, or financial position.

Note 2 – Basis of Presentation

Statement of Compliance

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

Basis of Consolidation

The consolidated financial statements included the accounts of the Group and its federally incorporated, 96% owned subsidiary, The Magpie Mines Inc. (the "Subsidiary" or "Magpie") up to March 31, 2023, the date of loss of control (see Note 17) and 100% owned subsidiary, FNC Technologies Inc. The functional currency of these two subsidiaries is Canadian $'s and all significant intercompany balances and transactions were eliminated on consolidation. The Magpie Mines Inc. was no longer consolidated after March 31, 2023, the date that the Group lost control of The Magpie Mines Inc.

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3 of the Group's consolidated financial statements for the years ended April 30, 2023 and 2022.

Going Concern

These consolidated financial statements have been prepared using accounting principles applicable to a going concern which assumes the Group will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

Note 3 – Significant Accounting Policies

Critical Accounting Judgement and Significant Accounting Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgement, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of commitments and contingencies at the date of the consolidated financial statements and the reported amount of expenses and income during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of the revision and in any future periods affected. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

Critical Accounting Judgements

(i) Exploration and Evaluation Expenditures

The application of the Group's accounting policy for exploration and evaluation expenditures capitalized requires judgement in determining which expenditures are recognized as exploration and evaluation assets and applying the policy consistently. In making this determination, the Group considers the degree to which the expenditure can be associated with finding specific mineral resources that are economically recoverable.

(ii) Contingencies and Provisions

The Group recognizes a provision for potential loss only when there is a present obligation arising from a past event that is probable to result in an economic outflow that can be reliably estimated. Where a reliable estimate cannot be made for such an obligation, no provision is recognized and the obligation is deemed a contingent liability. Contingent liabilities also include possible obligations for which the possibility of future economic outflow is more than remote but less than probable. Management assesses the probability of a liability being payable as either remote, more than remote or probable. If the liability is considered to be less than probable, then the liability is not recorded, and it is only disclosed as a contingent liability. Judgement is applied in assessing the likelihood of the economic outflow.

(iii) Control and/or Significant Influence over Investees

The Group has assessed that they have lost control due to the lack of ability to exercise its control, and thus Magpie should be deconsolidated. The Group has assessed the level of influence that the Group has on its investees, South Timmins Mining Inc., EDM Resources Inc. and NeoTerrex Corporation, for which the Group owns 25%, 11% and 15% of the shareholdings, respectively and concluded that the Group has significant influence over these investments since the Group has the power to participate in financial and operating policy decisions. The Group also has to exercise judgement on determining if they have control over their subsidiaries.

Note 3 – Significant Accounting Policies – Continued

Critical Accounting Estimates

(i) Impairment of Long-lived Assets

The Group reviews and assesses the carrying amount of exploration and evaluation assets and, its patent and process development for indicators of impairment when facts or circumstances suggest that the carrying amount is not recoverable. If impairment is indicated, the amount by which the carrying value of the assets exceeds the estimated fair value is charged to the consolidated statement of operations and comprehensive income (loss).

(ii) Current and Deferred Taxes

The determination of income tax expense and the composition of deferred tax and mining tax assets and liabilities involves judgement and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of tax laws. The Group is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgements and estimates may materially affect the final amount of current and deferred tax provisions, deferred income tax assets and liabilities, and results of operations.

(iii) Stock Based Compensation

Fair values are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Group's stock options.

(iv) Fair Value of Consideration Warrants

The Group uses the Partial Differential Equations model in measuring the fair value of consideration warrants. In applying the valuation technique, the Group makes use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. The volatility used to determine the fair value of the consideration warrants requires professional judgement due to the lack of trade volume of the associated security.

(v) Fair Value of Convertible Promissory Note

The fair value of convertible promissory note that are not quoted in an active market is determined using valuation techniques, that require management to make assumptions that are based on market conditions existing as at the measurement dates. Changes in these assumptions as a result of changes in market conditions could affect the reported fair value of financial instruments. A third-party valuation software that is broadly used and industry-accepted is applied to calculate the fair value of the convertible promissory note. Equity component and bond component are determined with different credit risk, where the equity component and bond component are discounted using the applicable risk free rate and credit adjusted discount rate, respectively.

(vi) Expected Credit Loss on Financial Asset

The Group recognizes an allowance for expected credit loss on accounts receivable that are measured at amortized cost. The amount of expected credit loss ("ECL") is updated at each reporting date to reflect changes in credit risk since the initial recognition of the trade and other receivables. The expected credit losses on these financial assets are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Note 3 – Significant Accounting Policies – Continued

Financial Instruments

Financial assets

The Group classifies its financial assets in the following categories:

- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)
- Amortized cost

The determination of the classification of financial assets is made at initial recognition. Marketable securities that are held for trading are classified as FVTPL: for other marketable securities and investments, on the day of acquisition the Group can make an irrevocable election to classify them as FVTOCI. No such election has been made in the past.

The Group's accounting policy for each of the categories is as follows:

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of operations and comprehensive income (loss) when incurred. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the consolidated statements of operations and comprehensive income (loss).

Financial assets at FVTOCI

Financial assets carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets at amortized cost

A financial asset is measured at amortized cost if the objective is to hold the financial asset for the collection on contractual cash flows and the asset's contractual cash flows are comprised solely of payments of principal and interest. The financial asset is classified as current or non-current based on its maturity date and is initially recognized at fair value plus transaction cost and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost

The Group recognizes an allowance for expected credit losses on financial assets that are measured at amortized cost.

Note 3 – Significant Accounting Policies – Continued

Financial Instruments - continued

Financial assets - classification

The following table shows the classification of the Group's financial assets:

Financial asset	Classification
Cash	Amortized cost
Short Term Investment	Amortized Cost
Other Receivables	Amortized cost
Marketable Securities and Warrants	FVTPL
Convertible Promissory Note	FVTPL

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred.

The Group's accounting policy for each category is as follows:

Financial liabilities at FVTPL

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statements of operations and comprehensive income (loss).

Transaction costs in respect of financial liabilities at FVTPL are recognized in the consolidated statements of operations and comprehensive income (loss) immediately.

Financial liabilities at amortized cost

At initial recognition, the Group measures financial liabilities at their fair value minus transaction costs that are directly attributable to their issuance. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

The effective interest method calculates the amortized cost of a financial liability and allocates interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial liability, or, where appropriate, a shorter period.

The following table shows the classification of the Group's financial liabilities:

Financial liabilities	Classification
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Pilot plant grant obligation	Amortized cost

Note 3 – Significant Accounting Policies – Continued

Cash

Cash consist of cash at banks and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Short-Term Investments

Short-term investments consist of a simple interest guaranteed income certificate held with a Canadian bank with term longer than 3 months. The carrying amount of investments approximates fair market value due to the short-term maturity of these instruments.

Marketable Securities and Warrants

Marketable securities consist of common shares and warrants of publicly-traded companies listed on the TSX Venture Exchange as well as common shares of a private company. Marketable securities are classified as FVTPL and are recorded at their fair values using quoted market prices or using appropriate valuation techniques to estimate the fair value where market price is not readily available at the consolidated statement of financial position date. Subsequent revaluation resulting in unrealized gains or losses is recorded in the consolidated statements of operations and comprehensive income (loss).

Convertible Promissory Note

Convertible promissory note is recognized initially at fair value. Subsequent to initial recognition, convertible promissory note is measured at fair value and with changes in fair value recognized in the consolidated statements of operations and comprehensive income (loss).

Investment in Associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity, but can also arise where the Group holds less than 20% if it has the power to be actively involved and influential in policy decision affecting the entity.

An Investment in associate is accounted for using the equity method. Under the equity method, investments in associates are carried in the statement of financial position at cost adjusted for post-acquisition changes in the Group’s share of net assets of the associates, less any impairment losses. Losses in an associate in excess of the Group’s interest in that associate are recognized only to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the associate. Unrealized profits or losses on transactions between the Group and an associate are eliminated to the extent of the Group’s interest therein.

Note 3 – Significant Accounting Policies – Continued

Investment in Associates–- continued

At the end of each reporting period, the Group assesses whether there is any evidence that an investment in associate is impaired. This assessment is generally made with reference to the timing of exploration work, work programs proposed, exploration results achieved, and an assessment of the likely results to be achieved from performance of further exploration by the associate. When there is evidence that an investment in associate is impaired, the carrying amount of such investment is compared to its recoverable amount. If the recoverable amount of an investment in associate is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the period of impairment. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in associate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined has an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in net earnings in the period the reversal occurs.

Exploration and Evaluation Assets

Costs directly related to the acquisition and evaluation of mineral properties are capitalized once the legal rights to explore the properties have been obtained. When it is determined that such costs will be recouped through successful development and exploitation, expenditures are transferred to tangible assets and depreciated over the expected productive life of the asset. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore-reserves, while costs for the prospects abandoned are written off.

Impairment reviews for capitalized exploration and evaluation costs are carried out on a project-by-project basis, with each project representing a single cash generating unit. An impairment review is undertaken at the end of each reporting period or when indicators of impairment arise but typically when one or more of the following circumstances apply:

- Unexpected geological occurrences that render the resource uneconomic;
- Title to the asset is compromised;
- Fluctuations in metal prices that render the project uneconomic;
- Variation in the currency of operations; and
- Threat to political stability in the country of operation.

From time to time, the Group may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets or recoveries when the payments are made or received.

The recoverability of the amounts capitalized for the undeveloped resource properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Group's interest in the underlying mineral claims, the ability to farm out its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

Note 3 – Significant Accounting Policies – Continued

Exploration and Evaluation Assets – continued

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Group has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties is in good standing.

Decommissioning Obligations

Decommissioning liabilities arise from the legal obligation to abandon and reclaim property, plant and equipment incurred upon the acquisition, construction, development and use of the asset. The initial liability is measured at the discounted value of the estimated costs to reclaim and abandon using a risk-free rate, subsequently adjusted for the accretion of discount and changes in expected costs. The decommissioning cost is capitalized in the relevant asset category. Costs capitalized to property, plant and equipment are depreciated into earnings based upon the unit-of-production method consistent with the underlying assets. Actual costs incurred upon settlement of the obligations are charged against the provision to the extent the provision was established. The Group had no asset retirement obligations recognized as of April 30, 2023 and 2022.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Deferred Quebec Mining Duties

The Group qualifies under the Mining Duties Act (Quebec) for a refundable credit on qualifying exploration and evaluation expenditures incurred in Quebec. Qualifying expenditures claimed for the purposes of receiving payment of this refund on a current basis will not be deductible in the calculation of duties from mineral production in future years. Accordingly, the full amount of such assistance has been recorded as deferred Quebec mining duties. On commencement of earnings from mineral production, the Group intends to amortize this amount as a reduction of mining duties then payable over the estimated productive life of its properties.

Note 3 – Significant Accounting Policies – Continued

Exploration Tax Credits

The Group accounts for accrued tax credits on eligible exploration expenditures as a deduction from its mineral properties interests, on a property by property basis, and will be charged to operations on the same basis as the deferred acquisition and exploration and evaluation expenditures. The exploration tax credits are accrued in the year when the exploration and evaluation expenditures are incurred, provided there is reasonable assurance that the Group has complied with, and will continue to comply with, all conditions needed to obtain the credits.

Stock Based Compensation

The Group's Stock Option Plan allows directors, officers and consultants to acquire shares of the Group in exchange for the options exercised. The fair value of stock options granted to employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in equity. 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, including directors of the Group.

The fair value is measured at the grant date and recognized 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 based on estimate of forfeiture rate.

The compensation cost of stock options granted to consultant is initially measured at fair value of the awards at the grant date and periodically re-measured to fair value until the consultant's performance is complete, and recognized over the periods during which the consultant become unconditionally entitled to the options. The compensation cost is charged to income with a corresponding increase to contributed surplus.

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income (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 year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Note 3 – Significant Accounting Policies – Continued

Income Tax - continued

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 and that affects neither accounting, nor taxable income or loss. 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.

Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the income (loss) for the period by the weighted average number of shares outstanding in the year. Diluted income (loss) per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury method. Treasury method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate. Diluted earnings per share is equal to the basic earnings per share as the outstanding options and warrants are anti-dilutive.

Related Party Transactions

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

Foreign Currency Transactions and Translation

The Group and its subsidiaries functional currency is Canadian dollars. Transactions in other currencies are recorded in Canadian dollars at the rates of exchange prevailing when the transactions occur. Monetary assets and liabilities denominated in other currencies are translated into Canadian dollars at rates of exchange in effect at the balance sheet dates. Exchange gains and losses are recorded in the consolidated statements of operations and comprehensive income (loss).

Note 3 – Significant Accounting Policies – Continued

Deconsolidation

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity on the date it loses control. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost and no significant influence exists.

Significant accounting policies used in the preparation of these consolidated financial statements are consistent with those of the previous financial year and have been consistently applied to all years presented.

Note 4 – Future Accounting Changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after May 1, 2023. All future accounting changes are either not applicable or do not have a significant impact to the Group and have been excluded.

Note 5 – Marketable Securities and Warrants

The Group holds shares and warrants in various public companies throughout the mining industry. During the year ended April 30, 2023, these shares and warrants were fair valued and this resulted in an unrealized loss of $1,091,693 (2022 – unrealized loss of $633,224). During the year ended April 30, 2023, the Group disposed of some marketable securities resulting in a gain of $313,740 (2022 $nil).

The shares in various public companies are classified as FVTPL and are recorded at fair value using the quoted market price as at April 30, 2023 and are therefore classified as level 1 within the fair value hierarchy.

The warrants in various public companies are classified as FVTPL and are recorded at fair value using a Black-Scholes option pricing model with observable inputs and are therefore classified as level 2 within the fair value hierarchy. Consideration warrants received are valued as level 3 within the fair value hierarchy, also see Note 7.

The shares in the private company are classified as FVTPL and are recorded at fair value using market inputs, estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument as at April 30, 2023 and are therefore classified as level 3 within the fair value hierarchy.

The following table summarizes information regarding the Group's marketable securities as at April 30, 2023 and 2022:

	2023	2022
Balance at beginning of year, April 30	$ 22,808,265	$ 20,668,289
Additions	3,975,610	2,773,200
Disposals	(2,894,360)	-
Reclassification	(2,161,382)	-
Realized gain/(loss)	313,740	-
Unrealized gain/(loss)	(1,091,693)	(633,224)
Balance at end of year, April 30	$ 20,950,180	$ 22,808,265

Note 5 – Marketable Securities and Warrants – Continued

i) The Group held 1,000,000 common shares of Beauce Gold Fields Inc. at April 30, 2023 (2022 - 1,000,000). The common shares were valued at a per share quoted market price of $0.05 at April 30, 2023 (2022 - $0.10).

ii) The Group held 2,700,000 common shares of Champion Iron Limited at April 30, 2023 (2022 – 3,100,000 common shares). These common shares were valued at a per share quoted market price of $5.83 at April 30, 2023 (2022 - $6.44). During the year ended April 30, 2023, 400,000 common shares were disposed of for a recorded gain of $315,000. During the period ended April 30, 2023, the Group received a total of $620,000 cash dividends from Champion Iron Limited.

iii) The Group held 1,250 common shares of Iconic Minerals Ltd. at April 30, 2023 (2022 – 1,250 common shares). The common shares were valued at a per share quoted market price of $0.10 at April 30, 2023 (2022 - $0.125).

iv) The Group held 4,480,000 common shares of KWG Resources Inc. at April 30, 2023 (2022 – 4,564,000 common shares), 335,308 multiple voting shares (2022 – Nil) and 4,044,453 warrants (2022-nil). Each multiple voting shares are convertible to 100 common share and has voting right attached. The share purchase warrants are exercisable at prices between $4.6916 and $4.2651 per multiple voting share until September 1, 2027. These common shares and multiple voting shares were valued at a per share quoted market price of $0.025 and $ 2.50 respectively at April 30, 2023 (2022 – $0.055 and nil), while the share purchase warrants were valued at $2,240,000 as at April 30, 2023. The fair value of the share purchase warrants was estimated using the Partial Differential Equations model with weighted average assumptions for the grant as follows: stock price - $2.83, risk-free interest rate – 3.1%, expected life of warrants – 3.25 years, and annualized volatility – 40%.

v) The Group held 20 common shares of RT Minerals Inc. at April 30, 2023 (2022 – 20 common shares). These common shares were valued at a per share quoted market price of $0.14 at April 30, 2023 (2022 - $0.25).

vi) The Group held 450,000 common shares of St-Georges Eco-Mining Corp. at April 30, 2023 (2022 – 450,000 common shares). These common shares were valued at a per share quoted market price of $0.17 at April 30, 2023 (2022 - $0.25).

vii) The Group held 45,650 common shares of ZeU Crypto Networks Inc. at April, 2023 (2022 – 45,650) pursuant to the spin-out from St-Georges Eco-Mining Corp. These common shares were valued at a per share quoted market price of $0.03 at April 30, 2023 (2022 – $0.18).

viii) The Group held 25,869,741 common shares of Platinex Inc. at April 30, 2023 (2022 – Nil) and 12,934,870 share purchase warrants (2022 – Nil). The share purchase warrants are exercisable at $0.055 per share until March 14, 2028. These common shares were valued at a per share quoted market price of $0.05 at April 30, 2023 (2022 – Nil), while the share purchase warrants were valued at $467,425 as at April 30, 2023. The fair value of the share purchase warrants was estimated using the Black-Scholes model with weighted average assumptions for the grant as follows: stock price - $0.04, risk-free interest rate – 1.69%, expected life of warrants – 5 years, annualized volatility – 153.54% and dividend rate – 0%.

Note 5 – Marketable Securities and Warrants - Continued

ix) The Group held 1,500,000 common shares of Vision Lithium Inc. at April 30, 2023 (2022 – 1,500,000). These common shares were valued at a per share quoted market price of $0.09 at April 30, 2023 (2022-$0.125).

x) The Group held 112,643,924 common shares of The Magpie Mines Inc., a private company. These common shares were valued at Nil as April 30, 2023 (2022 -N/A). Also see Note 17.

Note 6 – Other Receivables

	April 30, 2023 $	April 30, 2022 $
Other Receivables	1,965,342	50
Allowance for doubtful accounts	(1,964,511)	-
	831	50

Other receivables includes an unsecured, non-interest bearing, due on demand note in the amount of $1,964,511 owed to Fancamp by The Magpie Mines Inc. Pursuant to the deconsolidation, a previously eliminated intercompany amount became due and payable by Magpie to the Company and it was simultaneously determined that the expected credit loss was 100% of the receivable balance from Magpie.

Note 7 – Convertible Promissory Note

On September 1, 2022, the Group completed a transaction to transfer its rights, title and interests in the Koper Lake-McFaulds property and a one-time payment of $1,500,000 to KWG Resources Inc. (“KWG”) The consideration consisted of: the issuance by KWG of a Secured Convertible Promissory Note (the “Note”) in the principal amount of $34,500,000; the issuance by KWG of Warrants to purchase a total of 4,044,453 multiple voting shares; and the grant by KWG of a 2.0% net smelter return royalty (1/4 of which may be purchased by KWG at any time for $5,000,000 and the next 1/4 of which is subject to a right of refusal in favor of KWG) on any direct or indirect interest in the mining claims held by KWG on and after September 1, 2022.

The Note has a four-year term maturing on September 1, 2026, which maturity date may on certain conditions be extended by KWG on at least six months’ notice for an additional period of up to one year. The $34,500,000 principal amount of the Note is currently convertible at $4.6916 per multiple voting share of KWG (each, a “MVS”) into 7,353,568 MVS (increasing to 7,703,816 MVS at $4.4783 per MVS on September 1, 2023 and further increasing to 8,088,908 MVS at $4.2651 per MVS (the “Base Conversion Price”) on September 1, 2024 (subject to further adjustment in certain circumstances)) and bearing interest in quarterly instalments at a rate of 6% per annum, payable at the option of KWG in cash or in MVS at the volume weighted average trading price for the five trading days prior to the interest payment date. KWG can prepay in cash during the term of the Note, provided that Fancamp has the right to convert the amount being prepaid at the Base Conversion Price and, for a period that is twelve (12) month prior to Maturity Date, KWG can prepay in MVS as opposed to cash, provided that: (i) MVS shall be issued to Fancamp at a price equal to the Base Conversion Price, and (ii) two times the base conversion price contractual trigger is met. KWG has the right to repay the principal amount in cash in whole or in part at any time on 30 days’ notice (subject to the Group’s right to convert into MVS at the Base Conversion Price during the notice period prior to payment in cash).

Note 7 – Convertible Promissory Note – Continued

At the date of transaction, the fair value of the Warrants and Note were valued using a Partial Differential Equations (level 3) with the following assumptions:

	Warrants	Secured Convertible Promissory Note
Stock price	$3.00	$3.00
Number of share outstanding	16,979,106	16,979,106
Volatility rate	30%	30%
Risk-free interest rate	3.30%	3.40%
Credit spread	NA	42.00%
Expected life	4 years	5 years

As at April 30, 2023, the fair value of the Warrants and Note were valued using a Partial Differential Equations with the following assumptions:

	Warrants	Secured Convertible Promissory Note
Stock price	$2.83	$2.83
Number of share outstanding	20,136,722	20,136,722
Volatility rate	40%	40%
Risk-free interest rate	3.10%	3.40%
Credit spread	NA	40.00%
Expected life	3 years and 4 months	4 years and 4 months

The fair value of the instrument as at initial recognition and as at April 30, 2023 is as follow:

	Note	Warrant	Total
Fair value at initial recognition	16,250,000	1,920,000	18,170,000
Change in fair value	2,810,000	320,000	3,130,000
Fair value as at April 30, 2023	19,060,000	2,240,000	21,300,000

At initial recognition, an increase of 5% of volatility would have increase the fair value of the Warrants and the Notes by $1 million, with a corresponding increase in gain on disposal of the exploration and evaluation asset. As at April 30, 2023, an increase of 5% of volatility would have increase the fair value of the Warrants and the Notes by $2.2 million, with a corresponding change in fair value of financial instruments in profit and loss.

The Group received a total of 335,308 MVS during the year for interest payment from KWG and recorded an interest income of $1,020,820.

Note 8 – Investment in Associates

		% Ownership		Carrying Amount	
Name	Location	Initial	30/04/2023	Initial	30/04/2023
EDM Resources Inc.	Nova Scotia	13.10%	11.73%	1,550,000	1,174,117
NeoTerrex Corporation	Ontario	15.00%	15.00%	893,200	716,512
South Timmins Mining Inc.	Ontario	25.00%	25.00%	1,191,357	1,178,801

On March 13, 2023 the Group completed a transaction to pay $130,000 and transfer its rights, title and interests in the Mallard/Heenan and Dorothy properties to South Timmins Mining Inc., in exchange for a 25% interest in South Timmins Mining Inc., with an option to increase its shareholding to 50% pursuant to a royalty agreement. Fancamp holds a 1% net smelter royalty (NSR) in respect of the Mallard/Heenan and Dorothy properties, subject to a 50% decrease should Fancamp elect to increase its interests in South Timmins Mining Inc. to 50%. For the year ended April 30, 2023, Fancamp's share of loss in the results of South Timmins Mining Inc. was $12,555.

The Group held 8,932,000 common shares of NeoTerrex Corporation, a private company, with two common directors as at April 30, 2023. For the year ended April 30, 2023, Fancamp's share of loss in the results of NeoTerrex Corporation was $176,688.

The Group held 2,348,485 common shares of EDM Resources Inc. at the year ended April 30, 2023. As the Group has three common directors, these common shares have been classified as an Investment in Associate for the year ended April 30, 2023. For the year ended April 30, 2023, Fancamp's share of loss in the results of EDM Resources Inc. was $94,065, net of unrealized gain/loss reversal from prior year of 168,743.

The following is a reconciliation of the investment in South Timmins Mining Inc. for the year ended April 30, 2023:

	2023	2022
Balance at beginning of year, April 30	-	-
Cost of Investment	1,191,357	-
Share of net loss of Associate	(12,555)	-
Balance at end of year, April 30	1,178,802	-

Note 8 – Investment in Associates – Continued

The following is a reconciliation of the investment in NeoTerrex Corporation for the year ended April 30, 2023:

	2023	2022
Balance at beginning of year, April 30	-	-
Reclassification	893,200	
Cost of Investment	-	-
Share of net loss of Associate	(176,688)	-
Balance at end of year, April 30	716,512	-

The following is a reconciliation of the investment in EDM Resources Inc. for the year ended April 30, 2023:

	2023	2022
Balance at beginning of year, April 30	-	-
Reclassification	1,268,182	
Cost of Investment	-	-
Share of net loss of Associate	(94,065)	-
Balance at end of year, April 30	1,174,117	-

The following is a summary of financial information for the Group's associates for the periods presented based on the latest publicly available information.

As at April 30, 2023	EDM Resource Inc.	NeoTerrex Corporation	South Timmins Mining Inc
(rounded to the nearest thousands)	$	$	$
Statement of Financial Position			
Cash	289,000	3,227,000	130,000
Current Assets	600,000	3,632,000	1,888,000
Non-current Assets	23,086,094	-	1,061,000
Current Liabilities	875,911	30,000	-
Non-current Financial Liabilities	60,000	-	-
Non-current Liabilities	13,940,993	-	-
Statement of Comprehensive Loss			
Depreciation and Amortization	(9,000)	-	-
Interest Income	9,000	35,000	-
Loss from Continuous Operation	(2,117,000)	(822,000)	(50,000)
Total Comprehensive Loss	(2,117,000)	(822,000)	(50,000)

Note 9 – Exploration and Evaluation Assets

The Group's active mineral exploration properties' interests are detailed below and in Schedule I – Summary of Deferred Costs on Exploration and Evaluation Assets. Please see details of exploration cost balance for the years ended April 30, 2023 and 2022 and Schedule II - Exploration Expenditures on Exploration Assets.

(a) 100% owned claims in the Province of New Brunswick

The Group has a 100% ownership interest in claims in the Province of New Brunswick, notably, Becagiumec Lake and Piskhegan.

(b) 100% owned claims in the Province of Quebec

The Group has a 100% ownership interest in numerous claims in the Province of Quebec, including the Abitibi Group, Beauce Main BVB, Beauce Timrod, Clinton, DiLeo Lake, Grasset Laforest, Gaspe Bay Group, Grevet, Harvey Hill, Kinross, Lac Baude Baril, Risborough and Stoke properties. Certain of the properties are subject to the following royalties or option agreements:

Lac Lamelee

On July 8, 2021, the Group entered into a royalty purchase agreement with Champion Iron Limited, whereby Champion acquired 100% ownership interest in the 32 claim Lac Lamêlée property along with the 3.0% Net Smelter Return royalty and the 1.5% Net Smelter Return royalty interest in the O'Keefe-Purdy, Harvey-Tuttle, Bellechasse, Oil Can, Fire Lake North Consolidated, Peppler Lake and Moiré Lake properties ("Fremont Properties"). Fancamp received consideration of $1.3 million in cash, plus certain future finite production royalty payments payable once certain iron ore production thresholds have been reached with respect to iron ore production from the Fermont Properties. The Group recorded a gain of $697,009 on the sale.

Stoke Mountain

The Group has earned a 100% interest in 44 claim units located in the Eastern Townships of Quebec. The Optionor retains a 2% NSR, of which 1% may be bought back for $1,000,000.

The Group currently holds 112 claim units, including claims that were acquired by staking.

(c) 100% owned claims in the Province of Ontario

The Group has a 100% ownership interest in numerous claims in the Province of Ontario, including Cunningham, Dorothy, Desolation Lake and Mallard Heenan. Certain of the properties are subject to the following royalties or option agreements:

Cunningham

In June 2018 the Group entered into a purchase agreement to acquire 24 claim units located in the western central part of Cunningham Township, Ontario. The Group may earn a 100% interest by:

(i) paying a total advance royalty of $25,000 to the Vendor over 5 years ($25,000 paid)
(ii) issuing a total of 100,000 common shares (issued)

The Optionor will retain a 2% NSR, of which 1% may be bought back for $1,000,000.

Note 9 – Exploration and Evaluation Assets - Continued

Cunningham – continued

In January, 2019 the Group entered into a purchase agreement to acquire 185 claim units located in the western central part of Cunningham Township, Ontario. The Group may earn a 100% interest by:

(i) paying a total of $15,000 to the Vendor over 2 years ($15,000 paid)
(ii) issuing a total of 200,000 common shares (issued)

The Optionor will retain a 2% NSR, of which 1% may be bought back for $1,000,000.

The Group has written down this property, including 7 additional claims acquired by staking, as exploration has been discontinued during the year ended April 30, 2022. Subsequent to the year ended April 30, 2023, pursuant to a settlement agreement reached with a vendor, the “Cunningham” claims were transferred to this vendor. See Note 15 – Contingencies – Other.

Dorothy

In June 2018 the Group entered into a purchase agreement to acquire 67 claim unites located in the NE corner of Megissi Township, Ontario. The Group may earn a 100% interest by:

(i) paying a total advance royalty of $62,500 to the Vendor over 5 years ($62,500 paid)
(ii) issuing a total of 250,000 common shares (issued)

The Optionor will retain a 2% NSR, of which 1% may be bought back for $1,000,000.

During the year ended April 30, 2022, the Group wrote off its exploration costs. The property has been transferred to South Timmins Mining Inc pursuant to a joint venture transaction (also see Note 8).

Mallard Heenan

In January and February 2018, the Group entered into purchase agreements to acquire 26 claim units located in the Swayze greenstone belt, southwest of Timmins, Ontario. The Group may earn a 100% interest by:

(i) paying a total advance royalty of $150,000 to the Vendors over 5 years ($150,000 paid)
(ii) issuing a total of 1,250,000 common shares (issued)
(iii) spending $225,000 on exploration and development over two years (incurred)

The Optionors of 23 claims will retain a 2% NSR, of which 1% may be bought back within 7 years for $1,000,000, and the Optionors of 2 claims will retain a 1.5% NSR, of which 1% may be bought back within 7 years for $1,000,000.

In December 2018 the Group entered into a purchase agreement to acquire 2 claim units located in the Swayze greenstone belt, southwest of Timmins, Ontario. The Group may earn a 100% interest by:

(i) paying a total of $6,000 to the Vendors (paid)
(ii) issuing a total of 100,000 common shares (issued)

The Optionor will retain a 0.5% NSR.

The property has been transferred to South Timmins Mining Inc pursuant to a joint venture transaction (also see Note 8).

Note 9 – Exploration and Evaluation Assets – Continued

Koper Lake - McFaulds

On September 1, 2022, the Group closed the sale of all of the right, title and interests beneficially owned by Fancamp in and to the "Koper Lake-McFaulds" mineral properties, comprised of four (4) "legacy" mining claims that cover approximately four (4) square kilometers, overlying the axis of the Ring of Fire intrusion, host to all the known chromite deposits located within the "Ring of Fire" in the Province of Ontario, to KW Resources Inc.

The consideration paid by KWG to Fancamp for the purchase of the Mining Claims and the one-time payment by Fancamp to KWG of $1,500,000 consisted of: (a) the issuance by KWG to Fancamp of a secured convertible promissory note in the principal amount of $34.5 million; (b) the issuance by KWG to Fancamp of warrants to purchase a total of 4,044,453 multiple voting shares of KWG; and (c) the grant by KWG to Fancamp of a 2.0% net smelter return royalty (one-quarter of which may be purchased by KWG at any time for $5 million and the next one-quarter of which is subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the Mining Claims held by KWG on and after the closing date.

At the disposition date, the secured convertible promissory note was valued at $16,250,000 and the consideration warrants at $1,920,000 while the net smelter return royalty was valued at $nil. The fair value of the considerations received were determined using valuation techniques based on management assumptions and market conditions existing as at the measurement date. The carrying value of the property was $5,698,938 on the date of the disposition. The Group recorded a gain on disposal of $10,971,062 as a result of this transaction.

(d) Mineral property royalty interests

Beauce HPQ claims

The Group has been granted a 3.5% Gross Metal Royalty on any gold production extracted from the 32 claim block.

Fermont Properties claims

The Group acquired an additional 1.5% NSR (2015 – 1.5% NSR) in the Fermont properties claims as part of an asset acquisition. This 1.5% NSR was sold to Champion Iron Limited, a non-arm's length party, for $50,000 in cash and non-interest-bearing promissory note of $250,000. The Group holds its original 1.5% net smelter royalty on these claims.

On July 8, 2021, the Group entered into a royalty purchase agreement with Champion Iron Limited, whereby Champion acquired 100% ownership interest in the 32 claim Lac Lamêlée property along with the 3.0% Net Smelter Return royalty and the 1.5% Net Smelter Return royalty interest in the O'Keefe-Purdy, Harvey-Tuttle, Bellechasse, Oil Can, Fire Lake North Consolidated, Peppler Lake and Moiré Lake properties ("Fremont Properties"). Fancamp received consideration of $1.3 million in cash, plus certain future finite production payments payable once certain iron ore production thresholds have been reached with respect to iron ore production from the Fermont Properties.

Johan Beetz claims

The Group retains a 3.0% net smelter royalty for the first two years of commercial production, increasing to 5% thereafter.

Note 9 – Exploration and Evaluation Assets – Continued

Lac La Blache claims

The Lac La Blache claims are subject to a royalty interest of 2.0% of net smelter returns, rising to 4% two years following production.

Koper Lake – McFaulds claims

The Koper-Lake McFaulds claims are subject to a 2.0% net smelter return royalty (one-quarter of which may be purchased by KWG Resources Inc. at any time for $5 million and the next one-quarter of which is subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the Mining Claims held by KWG on and after September 1, 2022.

Wells claims

On November 30, 2021, the Group sold its 4 claim Wells property for consideration of 1,500,000 common shares of Vision Lithium Inc. The Group has retained a 2% net smelter return royalty on all mineral production from the property. The Group recorded a gain of $317,070 on this sale.

Mallard/Heenan/Dorothy claims

The Mallard/Heenan/Dorothy claims are subject to a 1.0% net smelter royalty, subject to a decrease to a 0.05% net smelter royalty should Fancamp increase its ownership in South Timmins Mining Inc. to 50%.

(e) Impairment of mineral properties interests

During the year ended April 30, 2023, the Group has written off/down a total of $359,842 (2022 - $708,238) on its exploration and evaluation assets for those properties management determined to be of no further interest.

Note 10 – Share Capital

(a) Authorized: Unlimited common shares without par value

Issued:

On May 27, 2021, the Group issued 3,700,000 common shares, at a price of $0.15 per share, 2,000,000 common shares at a price of $0.10 per share and 4,500,000 common shares at a price of $0.08, pursuant to the exercise of incentive stock options.

There are a total of 176,518,296 shares issued and outstanding as of April 30, 2023 and 2022.

(b) Share purchase warrants

The following table summarizes the continuity of common share purchase warrants:

Note 10 – Share Capital - Continued

	Warrants	Weighted Average Exercise Price	
Outstanding April 30, 2021	302,750	$	0.09
Expired December 30, 2021	(218,750)		
Expired February 7, 2022	(84,000)		-
Outstanding April 30, 2022	-	$	-
Outstanding April, 2023	-	$	-

As at April 30, 2023, there were Nil common share purchase warrants outstanding:

(c) Management incentive options

The Group's stock option plan provides for the granting of stock options totaling in aggregate up to 10% of the Group's total number of shares issued and outstanding on a non-diluted basis. The stock option plan provides for the granting of stock options to regular employees and persons providing investor relation services or consulting services up to a limit of 5% and 2% respectively of the Group's total number of issued and outstanding shares per year. The stock options are fully vested on the date of grant, except stock options granted to consultants or employees performing investor relation activities, which vest over 12 months. The option price must be greater or equal to the discounted market price on the grant date and the option expiry date cannot exceed five years after the grant date.

A summary of the options granted under the Group's plan as at April 30, 2023 and 2022 and the changes during the year then ended is as follows:

	No. of Options	Weighted average exercise price ($)
Outstanding, April 30, 2021	13,350,000	0.10
Exercised	(10,200,000)	0.11
Forfeited	(3,150,000)	0.08
Granted	13,070,000	0.12
Outstanding, April 30, 2022	13,070,000	0.12

Note 10 – Share Capital - Continued

	No. of Options	Weighted average exercise price ($)
Outstanding, April 30, 2022	13,070,000	0.12
Exercised	-	-
Expired	-	-
Granted	-	-
Outstanding, April 30, 2023	13,070,000	0.12

The weighted average remaining contractual life for the management incentive options outstanding as at April 30, 2023 is 3.56 years (2022 – 4.56 years).

The fair value of the options was estimated at the dates of grant using the Black-Scholes option pricing model with the following assumptions:

	2023	2022
Volatility rate	-	116.58%-122.38%
Risk-free interest rate	-	1.47%-1.69%
Dividend yield rate	-	0.00%
Weighted average life	-	5 years

Volatility is based on the historic price changes over a term comparable to the remaining life of the option. These grants vest immediately, with the exception of options granted to investors relations personnel which vest over a one-year period. Stock based compensation related to the options granted/vested is $24,467 (2022 - $1,282,002).

A summary of stock options outstanding and exercisable is as follows:

Exercise price per share $	Expiry date	Number of options outstanding and exercisable 2023	2022
0.12	November 9, 2026	11,750,000	11,750,000
0.12	February 21, 2027	1,320,000	1,320,000
		13,070,000	13,070,000

Note 11 – Related Party Transactions and Balances

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any directors (executive and non-executive) of the Group.

Note 11 – Related Party Transactions and Balances – Continued

Transactions for the period ended April 30:	**2023**	**2022**
Management Fees	287,468	360,500
Current and Former Director, Committee Fees	120,000	187,500
Consulting Fees	40,175	18,875
Stock Based Compensation	-	851,652

Balance with related parties as of April 30	2023	2022
	$	**$**
Amounts due to directors and officers	18,401	406,190

Transactions with related parties are measured at the exchange amount of consideration established and agreed to by the related parties.

Note 12 – Income Taxes

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

	2023	**2022**
	$	**$**
Net income (loss) before tax	12,435,562	(5,047,113)
Statutory tax rate	26.50%	26.50%
Expected income tax (recovery)	3,295,424	(1,337,485)
Non-(taxable) deductible items and other	508,482	607,150
Non-taxable dividends	(164,300)	(82,150)
Change in tax rates	-	-
Change in estimates and other	37,309	(114,004)
Tax effect of flow-through shares	-	65,000
Tax effect of deconsolidation	61,690	-
Change in deferred tax asset not recognized	3,327,188	144,416
Total tax expense (recovery)	7,065,793	(717,073)

	2023	**2022**
	$	**$**
Current tax expense (recovery)	6,665,113	-
Deferred tax expense (recovery)	400,680	(717,073)
Total tax expense (recovery)	7,065,793	(717,073)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Details of deferred tax assets (liabilities) are as follows:

Note 12 – Income Taxes - Continued

	2023 $	2022 $
Non-capital losses carryforwards	-	853,754
Mining equipment	(750)	331
Exploration and evaluation assets	(1,572,842)	(1,624,298)
Allowance for doubtful account	-	
Marketable securities	(2,101,993)	(2,510,728)
Financing costs	8,421	14,457
Net deferred tax assets (liabilities)	(3,667,164)	(3,266,484)

The unrecognized deductible temporary differences as at April 30, 2023 and 2022 are comprised of the following:

	2023 $	2022 $
Intercompany Receivable	-	-
Promissory Note	15,440,000	-
Investment in associates	565,125	-
Non-capital losses carryforwards	-	2,985,230
Non-capital losses carryforwards - Quebec	-	193,670
Mining equipment	-	1,818
Exploration and evaluation assets	-	50,050
Investment tax credits	-	16,583
Total unrecognized dedutible temporary differences	16,005,125	3,247,351

The Group has not recognized a deferred tax asset in respect of non-capital loss carry forwards of approximately $nil (2022: $2,985,230).

The Group has not recognized a deferred tax asset in respect of Quebec non-capital loss carry forwards of approximately $nil (2022: 193,670).

IFRIC Interpretation 23, Uncertainty over Income Tax Treatments, provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. As at April 30, 2023, the Company has evaluated the uncertain tax treatments relating to the determination of proceed on disposition of resource properties and recorded an uncertain tax position of $4,091,600. In addition, the Company has separately recorded a provision for uncertain tax positions associated with the transaction.

Note 13 – Financial Instruments and Financial Risk Management

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 or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Note 13 – Financial Instruments and Financial Risk Management – Continued

The Group's financial instruments consist of cash, short-term investment, marketable securities and warrants, other receivables, convertible promissory note, accounts payable and accrued liabilities, due to related parties and pilot plant grant obligation. The carrying value of cash, short-term investment, other receivables, accounts payable and accrued liabilities, and due to related party approximate their fair values due to their immediate or short-term maturity. Marketable securities consisting of common shares are recorded at fair value based on the quoted market, which is consistent with Level 1 of the fair value hierarchy. Marketable securities consisting of warrants are recorded at fair value based on a Black-Scholes pricing model consistent with Level 2 of the fair value hierarchy. Marketable securities consisting of common shares in private companies are recorded at fair value based on inputs for the asset or liability

that are not based on observable market data and convertible promissory notes are recognized initially at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition, convertible promissory notes are measured at fair value with changes in fair value recognized in consolidated statement of profit or loss, which are consistent with Level 3 of the fair value hierarchy.

The Group is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk, liquidity risk, foreign currency risk and equity market risk. The Group's objective with respect to risk management is to minimize potential adverse effects on the Group's financial performance. The Board of Directors provides direction and guidance to management with respect to risk management. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

The following table sets forth the Group's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

	April 30, 2023				April 30, 2022
	Marketable securities	Warrants	Convertible promissory note	Consideration warrants	Marketable securities
	$	$	$		$
Level 1	18,242,755	-	-	-	21,915,065
Level 2	-	467,425	-	-	-
Level 3	-	-	19,060,000	2,240,000	893,200

There have been no changes between levels during the year.

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Group's credit risk is primarily attributable to its cash. The Group manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. The Group has recorded an allowance for the collection of a doubtful account in the amount of $1,964,511.

Liquidity risk

The Group's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Group's holdings of cash that might be raised from equity financings. As at April 30, 2023, the Group had current assets of $24,940,422 (2022 – $28,522,142) and current liabilities of $6,926,060 (2022 - $850,975). All of the Group's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade

Note 13 – Financial Instruments and Financial Risk Management – Continued

terms. The Group believes that these sources will be sufficient to cover the expected short and long term cash requirements.

Market risk

Market risk consists of interest rate risk, foreign currency risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Group's marketable securities are subject to market risk.

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. Financial assets and liabilities with variable interest rates expose the Group to interest rate risk with respect to its cash flow. It is management's opinion that the Group is not exposed to significant interest rate risk.

Foreign currency risk

The Group is not exposed to foreign currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Group has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

Note 14 – Capital Management

The Group's objective when managing capital is to maintain investor and market confidence and a flexible capital structure which will allow it to execute on its capital expenditure program, which includes expenditures primarily in the exploration and evaluation assets, which may or may not be successful. Therefore, the Group monitors the level of risk incurred in its capital expenditures to balance the equity in its capital structure.

The Group manages its common shares as capital. As the Group is in the exploration stage, its principal source of funds is from the issuance of common shares. It is the Group's objective to
safeguard its ability to continue as a going concern, so that it can continue to explore and develop its projects for the benefit of its stakeholders. No changes were made in the objectives, policies and processes for managing capital during the year. The Group is not subject to any externally imposed capital requirement.

The Group manages its capital structure and makes adjustments to it, based on the funds available to the Group, in order to support the exploration and development of its mineral properties. The Board of Directors has not established quantitative capital structure criteria for management, but will review on a regular basis the capital structure of the Group to ensure its appropriateness to the stage of development of the business.

Note 14 – Capital Management – Continued

The properties in which the Group currently has interest are in the exploration stage and the Group is dependent on external financing to fund its activities. In order to carry out planned exploration and

development and pay for administrative costs, the Group will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable.

In order to facilitate the management of capital and maintenance and development of future mining sites, the Group may issue new equity, incur additional debt, option its properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. The Group's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Group does not pay dividends. The Group expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

Note 15 – Contingencies

The Magpie Mines Inc.

In April 2019, the Group and The Magpie Mines Inc. ("Defendants") received a statement of claim relating to liquidated damages for termination of the agreement dated January 1, 2018 whereby a former director (the "Former Officer") acted as consultant to Fancamp (the "Agreement") and to assist Magpie with mineral engineering research and development activities. Fancamp has not recognized provision for the claimed amount given the conditions to recognize provision were not met.

In June 2019, the Defendants filed a statement of defense in the Ontario Superior Court of Justice whereby they alleged that Former Officer breached his obligations towards the Defendants by misappropriating part of the intellectual property of The Magpie Mines Inc. through the named Group controlled by the Former Officer, and misusing the funds of The Magpie Mines Inc., including a grant from Sustainable Development Technology Canada. These actions led to the termination of the Agreement in November 2018.

Based on the facts of the case, Fancamp believes that the litigation instituted by the Plaintiffs is without merit and believes that the Plaintiffs are not entitled to any of the Damages. As such, Fancamp intends to vigorously defend itself against the Plaintiffs.

As of April 30, 2023, all litigations are still in process.

Termination of Mr. Smith

On April 1, 2021 the consulting agreement between the Group and Peter H. Smith was terminated with cause. On May 31, 2021, Peter H. Smith filed, by way of a counterclaim, a demand for payout of $500,000 and an additional $27,000 for amounts owing. $27,000 has been accrued as of April 30, 2021, 2022 and 2023. Management has not recognized provision for claimed amount given the conditions to recognize provision were not met. Fancamp believes that any claim that may be instituted by Peter H. Smith is without merit and that he is not entitled to any damages. The Group intends to vigorously defend its actions.

Note 15 – Contingencies – Continued

Civil Law suit Against Mr. Smith

On May 14, 2021, Fancamp filed a civil claim in the British Columbia Supreme Court seeking over $3,000,000 in damages from Mr. Smith on behalf of our shareholders. The claim was filed to remedy Mr.

Smith's long history of wrongdoings detailed in the Group's Information Circular dated June 2, 2021. As the forensic investigation advances, Fancamp may amend the claim to address any further wrongdoings.

Application for Safeguard Order Against Mr. Smith

On May 25, 2021, Fancamp filed an Application for a Safeguard Order with the Quebec Superior Court to obtain critical technical and financial information belonging to the Group from Mr. Smith. Despite multiple demands, Mr. Smith, to the detriment of all Fancamp shareholders, has provided few relevant documents and has ignored requests to preserve all the information in his hands and has refused to return:

- Technical and financial information, including reports on Fancamp's mining properties;
- Banking information related to Fancamp or any of its subsidiaries;
- Any correspondence and/or emails between Fancamp and its partners, third parties and shareholders; and
- Documents regarding contractual obligations and other agreements such as option agreements, access agreements, drilling or other exploration contracts and waivers.

These critical items are needed for Fancamp to properly operate its business. Mr. Smith's refusal is illegal and shows a complete disregard for the interests of Fancamp and its shareholders – the exact opposite of what one would expect from a director exercising their fiduciary duties.

On August 6, 2021, the safeguard order was dismissed by the Court and the documents will then have to be recovered through the next procedural steps.

On August 20, 2021 the Group received from Mr. Smith an Application to dismiss and stay of proceedings. On January 24, 2022, the parties agreed to a discontinuance of these Quebec proceedings. This undertaking does not constitute a release by Fancamp of any claims it may have against Mr. Smith in relation to the facts alleged in either the BC Proceedings or the Quebec Proceedings.

Other

On April 14, 2022, a statement of claim was filed in the Ontario Superior Court of Justice against the Group for alleged breach of contract in relation to a mineral property purchase and sale agreement. The plaintiff is seeking compensatory damages of $1,500,000, special damages of $50,000 and punitive damages of $500,000. The Group has filed a Statement of Defense and subsequent to year end has resolved this dispute.

Note 16 – The Magpie Mines Ltd. - Determination to Un-consolidate

Subsequent to the termination of Peter H. Smith in August, 2020 and his failed attempt to contest the Group's Annual General Meeting held on October 31, 2021 as well as the ongoing disputes detailed in Note 15 – Contingencies, Fancamp has determined that it cannot exercise control over The Magpie Mines Inc. The directors of The Magpie Mines Inc. issued themselves Special Shares which allow for the election of 2/3 of the board of directors of The Magpie Mines Inc. While Peter H. Smith was CEO of Fancamp, the Group was provided assurance that it could exercise control but to date 2 of the directors of The Magpie Mines Inc. have refused to relinquish the Special Shares or co-operate with Fancamp Exploration Ltd. in any way.

Note 16 – The Magpie Mines Ltd. - Determination to Un-consolidate - Continued

In the Consolidated Statement of Operations and Comprehensive Loss, the Group has recorded a gain of $429,696 from the deconsolidation of The Magpie Mines Inc. on March 31, 2023, the date Fancamp lost control over Magpie. Fancamp has recorded the $1,964,511 advanced to The Magpie Mines Inc. as well as an allowance for the possibility that this debt will not be fully repaid (See Note 6 – Other Receivable) and filed a notice of its intention to collect the amount due.

Assets and Liabilities related to the deconsolidation were as follows:

	As at March 31, 2023
	$
Cash	15
Other Accounts Receivable	50
GST Receivable	14
Advance	(1,964,511)
Exploration & Evaluation Assets	12,926
Accounts Payable	(391,784)
Deferred Income	(144,187)
Accumulated NCI up to March 31	93,270
Gain on Deconcolidation	2,394,207
Allowance on advance	(1,964,511)
Net Gain due to deconsolidation	429,696

As management has assessed an ECL of $1,964,511 on their receivable from Magpie immediately upon deconsolidation of the Magpie investment, the ECL loss should be netted against the $2,394,207 gain shown above.

Note 17 – Subsequent Events

On August 11 2023, the Group provided comment on a recent announcement made by The Canadian Chrome Co. (“Chrome Co.”), a registered business style of KWG Resources Inc., with respect to Chrome Co.’s acquisition of two thirds of the issued and outstanding special shares in the capital of The Magpie Mines Inc. from Peter Smith and Fouad Kamaleddine (the “Transaction”).

Fancamp is a major shareholder of The Magpie Mines Inc., with ninety-six percent (96%) of the issued and outstanding common shares in the capital of Magpie Mines. In addition, Fancamp has a two-percent (2%) net smelter return royalty on the Magpie deposit and is the largest creditor of Magpie Mines.

Each common share of Magpie Mines carries one (1) vote for the election of forty-nine percent (49%) of the total number of Directors of Magpie Mines, while each special share of Magpie Mines carries one (1) vote for the election of fifty-one percent (51%) of the total number of Directors of Magpie Mines. As a result of the issuance of special shares, which were allocated to previous Directors of Fancamp and of Magpie Mines, holders of these special shares control decisions relating to the election of Magpie Mines Directors and, as a result, decisions taken by its Board of Directors.

The proposed Transaction was not previously known to Fancamp. Smith’s and Kamaleddine’s ownership of the Magpie special shares is disputed and the subject of pending litigation, as described in Fancamp’s news release dated May 14, 2021:

Note 17 – Subsequent Events - Continued

> *One of the self-dealing transactions that Fancamp is aware of involves The Magpie Mines Inc. ("Magpie"), a subsidiary of Fancamp.……Mr. Smith caused Magpie to be incorporated with a capital structure that included a class of special shares (the "Special Shares"). The Special Shares carried the right to appoint 51% of Magpie's directors and, as a result, the holder(s) of the Special Shares could effectively control Magpie. The Special Shares should have been issued to Fancamp, but Mr. Smith issued them to himself and two individuals. This meant that Mr. Smith and the two individuals personally controlled Magpie's Board of Directors.*
>
> *Mr. Smith ultimately caused Fancamp to acquire 96% of Magpie's common shares, but none of the Special Shares. This scheme conferred on Mr. Smith and the two individuals' personal control of Fancamp's almost wholly-owned subsidiary.To make matters worse, Mr. Smith then had a falling out with the two individuals. This falling out has effectively paralyzed Magpie as well as the Corporation's ability to unlock value from the deposit, and destroyed value for Fancamp's shareholders.*

On May 27, 2021, the Group discontinued the lawsuit against the third individual after the special shares issued to that individual were returned to treasury for cancellation.

By way of the Transaction, it appears that Smith and Kamaleddine seek to sell their Special Shares for millions of dollars of personal benefit to the further prejudice of Fancamp. This is an egregious further breach of their fiduciary duties as well as a breach of trust. If completed, the Transaction is liable to be set aside by the Court.

On August 8, 2023, Fancamp wrote to Chrome Co. to advise that:

1. There is pending litigation with respect to the validity and ownership of the special shares;

2. In light of that information Fancamp expects that Chrome Co. will not proceed with its acquisition of the special shares, and that it will issue a news release to that effect by no later than Friday, August 11, 2023; and

3. Chrome Co. now has full knowledge of Smith's and Kamaleddine's breaches of fiduciary duty and of trust, and would be proceeding as a knowing participant in those breaches. If Chrome Co. proceeds with the Transaction despite that knowledge Fancamp anticipates it would be entitled to seek relief directly against Chrome Co., including injunctive relief and compensation for its damages (including legal fees).

On August 10, 2023, Fancamp received a response from Chrome Co. in which it indicated that Fancamp's letter "does provide some clarifications as part of our ongoing due diligence efforts in this matter." It is unclear to Fancamp whether Chrome Co. intends to proceed with the Transaction.

Fancamp will continue to take appropriate steps to protect its interests including but not limited to the recovery of the special shares.

Fancamp's continues to maintain its shareholdings and position with respect to holding the previously announced secured convertible promissory note in the principal amount of C$34.5 million in Chrome Co., as it relates to the sale of Fancamp's beneficial interests in Koper Lake-McFaulds mining claims.

Fancamp Exploration Ltd.
Schedule I - Summary of Deferred Costs on Exploration and Evaluation Assets
The following is a summary of exploration and evaluation costs deferred during the year ended April 30, 2023:

	As At April 30, 2022			Exploration and Evaluation Expenditures Incurred During the year ended April 30, 2023				As At April 30, 2023		
	Deferred Acquisition Costs	Deferred Exploration Expenditures	Total	Acquisition Costs Incurred	Option and Other Payments (Received)	Exploration Expenditures Net of Exploration Tax Credits	(Write Downs) (Write Offs) Income/Sales	Deferred Acquisition Costs	Deferred Exploration Expenditures	Total
Projects										
Clinton, PQ	$ 45,954	$ 1,353,659	$ 1,399,613	$ -	$ -	$ 156,051	$ -	$ 45,954	$ 1,509,710	$ 1,555,663
Gaspe Bay Group, PQ **	14,436	913,124	927,560	398	(50,000)	12,323	(432)	14,834	875,015	889,849
Harvey Hill, PQ	-	693,656	693,656	-	-	44,280	-	-	737,936	737,936
KoperLake - McFaulds, ON	1,290	5,697,648	5,698,938	-	-	-	(5,698,938)	-	-	-
Risborough, PQ	239	22,103	22,342	-	-	-	-	239	22,103	22,342
Stoke, PQ	76,470	2,495,674	2,572,144	(200)	-	395,548	-	76,270	2,891,222	2,967,492
Prospects-Quebec										
Abitibi Group *	69,633	11,664	81,297	777	-	911	(80,930)	32	2,022	2,054
Beauce Main BVB	4,962	86,856	91,818	-	-	220	-	4,962	87,076	92,038
Beauce Timrod	1	17,791	17,792	-	-	326	-	1	18,117	18,118
DiLeo Lake	1	26,877	26,878	-	-	15,641	-	1	42,518	42,519
Grasset Laforest	39,916	280,911	320,827	966	-	2,807	(238,406)	10,957	75,238	86,193
Grevet	512	22,886	23,398	-	-	728	-	512	23,614	24,126
Jim Lake	663	-	663	-	-	-	(663)	-	-	-
Kinross	512	19,278	19,790	-	-	1,108	-	512	20,386	20,898
Lac Baude Baril	2,327	85,520	87,847	-	-	275	-	2,327	85,795	88,122
Lac Claire	1,109	1,313	2,422	-	-	-	(2,422)	-	-	-
Langevin	1,867	3,530	5,397	-	-	-	(5,397)	-	-	-
Lynch Lake	596	-	596	-	-	-	(596)	-	-	-
Mingan, Lac Au Vents	-	-	-	-	-	10,626			10,626	10,626
Sheen	1,193	-	1,193	-	-	-	(1,193)	-	-	-
St. Ferdinand	392	-	392	-	-	-	(392)	-	-	-
Timbrell	522	360	882	-	-	-	(882)	-	-	-
Prospects-New Brunswick			-							
Becagiumec Lake	1,930	74,814	76,744	-	-	190	(28,527)	1,930	46,477	48,407
Piskhegan	2,560	-	2,560	-	-	-	-	2,560	-	2,560
Prospects-Ontario										
Cunningham	1	-	1	-	-	-	-	1	-	1
Dorothy	63,951	-	63,951	-	-	-	(63,951)	-	-	-
Mallard Heenan	336,800	660,606	997,406	-	-	-	(997,406)	-	-	-
Nominal Value Properties	11	2,595	2,606	-	-	-	(3)	11	2,595	2,606
	$ 667,848	$ 12,470,865	$ 13,138,713	1,941	(50,000)	641,034	(7,120,137)	161,102	6,450,448	6,611,549

* Abitibi Group includes such properties as 62/63, 706, 836, Bearn, La Sarre, SW Abitibi, Languedoc, Berry, Chicobi, Macamic, Privat, Roquemaur, Whiskey Jack and Pamarolle
** Gaspe Bay Group includes such properties as Amqui, Angers, Boibusisson, Madeline, Robidoux, Robinson and St. Margeurite

Fancamp Exploration Ltd.

Schedule I - Summary of Deferred Costs on Exploration and Evaluation Assets

The following is a summary of exploration and evaluation costs deferred during the year ended April 30, 2022:

	As At April 30, 2021					Exploration and Evaluation Expenditures Incurred During the year ended April 30, 2022				As At April 30, 2022		
	Deferred Acquisition Costs	Acquisition Costs Reallocated	Deferred Exploration Expenditures	Exploration Costs Reallocated	Total	Acquisition Costs Incurred	Option and Other Payments (Received)	Exploration Expenditures Net of Exploration Tax Credits	(Write Downs) (Write Offs) Income/Sales	Deferred Acquisition Costs	Deferred Exploration Expenditures	Total
Projects												
Clinton, PQ	$ 45,954	$ -	$ 861,203		$ 907,157	$ -	$ -	$ 492,456	$ -	$ 45,954	$ 1,353,659	$ 1,399,613
Gaspe Bay Group, PQ **	21,802	-	1,398,143	(477,345)	942,600	-	-	55,669	(70,709)	14,436	913,124	927,560
Harvey Hill, PQ	-	-		477,345	477,345	-	-	216,310	-	-	693,656	693,656
Lac Lamelee,PQ	495,539		105,676		601,215	-	-	1,775	(602,990)	-	-	-
KoperLake - McFaulds, ON	1,290	-	5,697,648		5,698,938	-	-	-	-	1,290	5,697,648	5,698,938
Risborough, PQ	239	-	22,103		22,342	-	-	-	-	239	22,103	22,342
Stoke, PQ	76,470	-	2,418,086		2,494,556	-	-	77,588	-	76,470	2,495,674	2,572,144
Prospects-Quebec												
Abitibi Group *	74,037	(4,403)	11,664		81,297	-	-	-	-	69,633	11,664	81,297
Beauce Main BVB	11,472	(2,451)	155,293		164,314	-	-	1,541	(74,038)	4,962	86,856	91,817
Beauce Timrod	1	-	17,724	-	17,725	-	-	67	-	1	17,791	17,792
Beaudion	769	-	470	-	1,239	-	-	-	(1,239)	-	-	-
Chapleau	298	-	25,352	-	25,651	-	-	-	(25,651)	-	-	-
Coaticook	320	-	360	-	680	-	-	-	(680)	-	-	-
DiLeo Lake	-	1	26,877		26,878	-	-	-	-	1	26,877	26,878
Grasset Laforest	28,288	11,628	5,368		45,284	-	-	275,543	-	39,916	280,911	320,826
Grevet	-	512	-	22,886	23,398	-	-	-	-	512	22,886	23,398
Grosses Roches Moise	3,936	-	4,857		8,793	-	-	-	(8,793)	-	-	-
Jim Lake	265	398	-		663	-	-	-	-	663	-	663
Kinross	1,025	(512)	41,922	(22,886)	19,549	-	-	242	-	512	19,278	19,790
Lac Baude Baril	2,327	-	84,180		86,507	-	-	1,340	-	2,327	85,520	87,847
Lac Claire	1,109	-	1,313	-	2,422	-	-	-	-	1,109	1,313	2,422
Langevin	1,867	-	3,262	-	5,129	-	-	268	-	1,867	3,530	5,397
Lynch Lake	596	-	-		596	-	-	-	-	596	-	596
Magpie	12,926	-	-		12,926	-	-	-	-	12,926	-	12,926
Portage Lake	203	-	69,797		70,000	-	-	-	(70,000)	-	-	-
Restigouche	256	-	451	-	708	-	-	-	(708)	-	-	-
Royal Rousillon	4,770	(4,770)	-		-	-	-	-	-	-	-	-
Sheen	1,590	(398)	-	-	1,193	-	-	-	-	1,193	-	1,193
St. Ferdinand	392	-	-	-	392	-	-	-	-	392	-	392
Timber Lake	888	-	2,325		3,213	-	-	-	(3,213)	-	-	-
Timbrell	522	-	360	-	882	-	-	-	-	522	360	882
Vachon	1,218	-	4,524	-	5,742	-	-	-	(5,742)	-	-	-
Wells	199	-	12,732		12,931	-	-	-	(12,931)	-	-	-
Prospects-New Brunswick					-							
Becagiumec Lake	1,930	-	74,364		76,294	-	-	450	-	1,930	74,814	76,744
Piskhegan	2,560	-	-		2,560	-	-	-	-	2,560	-	2,560
Prospects-Ontario												
Cunningham	55,950	-	155,316	-	211,266	10,000	-	10,638	(231,903)	1	-	1
Dorothy	63,950	-	188,913	-	252,863	26,650	-	-	(215,562)	63,951	-	63,951
Mallard Heenan	306,800	-	651,606	-	958,406	30,000	-	9,000	-	336,800	660,606	997,406
Nominal Value Properties	6	6	-		12	-	-	2,595	(1)	11	2,595	2,606
	$ 1,221,765		$ 12,041,889		$ 13,263,663	66,650	-	1,145,481	(1,324,159)	680,773	12,470,863	13,151,637

* Abitibi Group includes such properties as 62/63, 706, 836, Bearn, La Sarre, SW Abitibi, Languedoc, Berry, Chicobi, Macamic, Privat, Roquemaur, Whiskey Jack and Pamarolle

** Gaspe Bay Group includes such properties as Amqui, Angers, Boibusisson, Madeline, Robidoux, Robinson and St. Margeurite

Fancamp Exploration Ltd.
Schedule II - Exploration Expenditures on Exploration and Evaluation Assets
April 30, 2023 and 2022

Incurred in the year ended ended April 30, 2023:

	Camp Drilling Assays	Engineering, Consulting, and Sundry	Prospecting, Ground, Air Surveys	Exploration Tax Credits	Total 2023
Baude Lake Baril	$ -	$ 275	$ -	$ -	$ 275
Beauce Main BVB	-	220	-	-	220
Beauce Timrod	-	326	-	-	326
Becagiumec Lake	-	190	-	-	190
Clinton	2,286	58,745	154,703	(59,684)	156,051
DiLeo Lake	7,480	275	14,913	(7,027)	15,641
Gaspe Bay Group		11,562	1,058	(296)	12,323
Harvey Hill	9,446	32,767	19,073	(17,006)	44,280
Grasset La Forest	-	381	3,518	(1,092)	2,807
Grevet	-	-	1,011	(283)	728
Kinross	87	-	1,452	(431)	1,108
Lac Au Vent	-	10,626	-	-	10,626
Stoke	296,551	60,376	188,995	(150,374)	395,548
SW Abitibi	-	-	1,265	(354)	911
	$ 315,851	$ 175,742	$ 385,988	$ (236,548)	$ 641,034

Incurred in the nine month period ended January 31, 2022:

	Camp Drilling Assays	Engineering, Consulting, and Sundry	Prospecting, Ground, Air Surveys	Exploration Tax Credits	Total 2022
Baude Lake Baril	$ -	$ 1,340	$ -	$ -	$ 1,340
Beauce Timrod	-	67	-	-	67
Beauce Main BVB	-	1,541	-	-	1,541
Becagiumec Lake	-	450	-	-	450
Brennan Lake	-	2,595	-	-	2,595
Clinton	442,660	51,872	1,154	(3,230)	492,456
Cunningham		10,638	-	-	10,638
Gaspe Bay Group		7,586	-	(273)	7,313
Harvey Hill	257,504	28,318	-	(21,156)	264,666
Kinross	-	242	-	-	242
Lac lamelee	-	1,775	-	-	1,775
Langevin	-	268	-	-	268
Grasset La Forest	-	1,560	274,140	(157)	275,543
Stoke	3,591	76,060	-	(2,063)	77,588
Mallard Heenan	-	9,000	-	-	9,000
	$ 703,755	$ 193,311	$ 275,294	$ (26,878)	$ 1,145,481