
SOKOMAN MINERALS CORP.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022
(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Sokoman Minerals Corp.:

Opinion

We have audited the consolidated financial statements of Sokoman Minerals Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the year 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 Company as at June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Company in accordance with the ethical requirements that are relevant to our audit of the 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that for the year ended June 30, 2023 the Company had an accumulated deficit of \$43,691,751 at year end. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 in this auditor's report. 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 financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

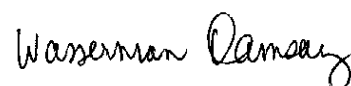
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditors' report is Kevin Ramsay.



Markham, Ontario
October 26, 2023

Chartered Professional Accountants
Licensed Public Accountants

Sokoman Minerals Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at June 30, 2023	As at June 30, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,890,535	\$ 10,339,658
Amounts receivable (note 4)	362,948	613,563
Prepaid expenses (note 4)	48,209	43,746
Security deposit (note 4)	2,550	2,150
Marketable securities (note 5)	127,154	165,594
Total current assets	5,431,396	11,164,711
Non-current assets		
Property and equipment (note 6)	231,146	281,029
Exploration and evaluation assets (note 7)	1,039,623	1,078,684
Total assets	\$ 6,702,165	\$ 12,524,424
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 10)	\$ 1,423,615	\$ 1,663,718
Total liabilities	1,423,615	1,663,718
Equity		
Share capital (note 9)	39,428,676	35,974,018
Warrants (note 9)	1,806,867	2,376,067
Contributed surplus	7,734,758	6,262,798
Deficit	(43,691,751)	(33,752,177)
Total equity	5,278,550	10,860,706
Total equity and liabilities	\$ 6,702,165	\$ 12,524,424

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

Nature of operations and going concern (note 1)
 Commitments (note 11)
 Subsequent event (note 13)

Approved on behalf of the Board:

(Signed) "Tim Froude" _____ Director

(Signed) "Colin Bowdidge" _____ Director

Sokoman Minerals Corp.

Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars)

	Year Ended June 30, 2023	Year Ended June 30, 2022
Expenses		
Mineral exploration expenses (notes 8 and 10)	\$ 8,665,656	\$ 9,801,871
Office and general	174,437	173,981
Filing fees	59,537	55,211
Business development and promotion (note 10)	323,309	328,520
Directors fees (note 10)	32,174	30,900
Professional fees (note 10)	129,678	152,302
Salaries and benefits (note 10)	222,662	192,769
Share-based payments (note 10)	367,960	1,403,054
Amortization (note 6)	784	976
Write down of mineral properties (note 7)	21,750	-
Net loss before other items	(9,997,947)	(12,139,584)
Other items		
Interest income	109,915	49,610
Loss on sale of property and equipment	734	28,468
Unrealized gain (loss) on marketable securities (note 5)	(52,276)	(203,406)
	58,373	(125,328)
Net and comprehensive loss for the year	\$ (9,939,574)	\$ (12,264,912)
Basic and diluted net loss per share	\$ (0.05)	\$ (0.06)
Weighted average number of common shares outstanding	219,297,779	203,917,454

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

Sokoman Minerals Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended June 30, 2023	Year Ended June 30, 2022
Operating activities		
Net loss for the year	\$ (9,939,574)	\$ (12,264,912)
Adjustments for:		
Amortization	784	976
Amortization in exploration expenses	79,780	72,193
Share-based compensation	367,960	1,403,054
Write down of mineral properties	21,750	-
Gain on sale of property and equipment	(734)	(28,468)
Unrealized loss (gain) on marketable securities	52,276	203,406
Changes in non-cash working capital items:		
Amounts receivable	250,615	(427,534)
Prepaid expenses	(4,463)	10,982
Security deposit	(400)	(1,750)
Accounts payable and accrued liabilities	(240,103)	1,017,567
Net cash used in operating activities	(9,412,109)	(10,014,486)
Investing activities		
Exploration and evaluation assets expenditures (net of cash received)	50,067	(87,605)
Purchase of property and equipment	(36,947)	(225,446)
Proceeds from sale of property and equipment	7,000	82,000
Net cash provided by (used in) investing activities	20,120	(231,051)
Financing activities		
Proceeds from private placement	4,142,752	5,000,000
Share issuance costs	(199,886)	(73,000)
Warrants exercised	-	140,190
Stock options exercised	-	122,500
Net cash provided by financing activities	3,942,866	5,189,690
Net change in cash and cash equivalents	(5,449,123)	(5,055,847)
Cash and cash equivalents, beginning of year	10,339,658	15,395,505
Cash and cash equivalents, end of year	\$ 4,890,535	\$ 10,339,658
Supplemental information		
Shares issued to acquire exploration properties	\$ 46,592	\$ 176,957
Shares received for exploration properties	\$ 13,836	\$ 77,500

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

Sokoman Minerals Corp.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	<u>Share capital</u>					
	Number of shares	Share capital	Warrants	Contributed surplus	Deficit	Total
Balance, June 30, 2021	199,426,397	\$ 31,867,413	\$ 1,014,984	\$ 4,960,785	\$(21,487,265)	\$ 16,355,917
Private placements	12,500,000	5,000,000	-	-	-	5,000,000
Share issue costs	-	(73,000)	-	-	-	(73,000)
Warrant valuation	-	(1,405,000)	1,405,000	-	-	-
Warrants exercised	558,050	182,772	(42,582)	-	-	140,190
Warrants expired	-	-	(1,335)	1,335	-	-
Stock options exercised	1,312,500	224,876	-	(102,376)	-	122,500
Shares issued to acquire exploration properties	393,449	176,957	-	-	-	176,957
Share-based payments	-	-	-	1,403,054	-	1,403,054
Net loss and comprehensive loss for the year	-	-	-	-	(12,264,912)	(12,264,912)
Balance, June 30, 2022	214,190,396	\$ 35,974,018	\$ 2,376,067	\$ 6,262,798	\$(33,752,177)	\$ 10,860,706
Private placement	14,795,544	4,142,752	-	-	-	4,142,752
Share issue costs	-	(199,886)	-	-	-	(199,886)
Warrant valuation	-	(534,800)	534,800	-	-	-
Warrants expired	-	-	(1,104,000)	1,104,000	-	-
Shares issued to acquire exploration properties	267,107	46,592	-	-	-	46,592
Share-based payments	-	-	-	367,960	-	367,960
Net loss and comprehensive loss for the year	-	-	-	-	(9,939,574)	(9,939,574)
Balance, June 30, 2023	229,253,047	\$ 39,428,676	\$ 1,806,867	\$ 7,734,758	\$(43,691,751)	\$ 5,278,550

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

Sokoman Minerals Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Sokoman Minerals Corp. ("Sokoman" or "Company") is a public company listed on the TSX Venture Exchange (TSXV-SIC) and operating under the laws of the Province of British Columbia. The Company is an exploration-stage company that is in the process of exploring its mineral properties located in Canada and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered office is 82 Richmond Street East, Toronto, Ontario M5C 1P1.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from June 30, 2023. At June 30, 2023, the Company has an accumulated deficit of \$43,691,751 (June 30, 2022 - deficit of \$33,752,177) and has working capital of \$4,007,781 (June 30, 2022 - \$9,500,993). The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient funds and continue to obtain sufficient capital from investors to meet its current and future obligations. The Company is subject to risks and challenges similar to other exploration stage companies. As a result of these risks, a material uncertainty exists that casts significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and these consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

2. Summary of significant accounting policies

Statement of compliance

These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB ("International Accounting Standards Board") applicable to the preparation of audited financial statements, including International Accounting Standard ("IAS") 34 - Audited Financial Reporting. The accounting policies followed in these audited consolidated financial statements are the same as those applied in the audited consolidated annual financial statements of the Company for the year ended June 30, 2023.

The policies applied in these audited consolidated financial statements are based on IFRS issued and outstanding as of October 26, 2023, the date the Audit Committee approved the statements.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income taxes. Differences may be material.

The Company operates in one segment defined as the cash generating unit ("CGU") which is North America. These audited financial statements were authorized for issue by the Board of Directors on October 26, 2023.

Sokoman Minerals Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

Basis of presentation

The audited consolidated financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments designated at FVTPL, which are measured at fair value. The comparative figures presented in these financial statements are in accordance with IFRS.

Basis of measurement

These audited consolidated financial statements have been prepared on the historical cost basis. In addition, these audited consolidated financial statements have been prepared using the accrual basis of accounting.

Basis of consolidation

The audited consolidated financial statements include the accounts of the Company and its inactive wholly-owned subsidiary Golden Dory Exploration Ltd. which has the same fiscal reporting period as Sokoman.

Foreign currency translation

The functional and presentation currency, as determined by management is the Canadian dollar. For the purpose of the consolidated financial statements, the results and consolidated financial position are presented in Canadian dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the Consolidated Statements of Loss and Comprehensive Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the consolidated statements of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

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

Sokoman Minerals Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Classification and measurement (continued)

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- (i) amortized cost; or
- (ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives);

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

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial asset consists of cash and cash equivalents and marketable securities, which is classified and measured at FVTPL, with realized and unrealized gains or losses related to changes in fair value reported in net loss, and prepaid expenses and security deposit, which is classified and subsequently measured at amortized cost.

The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Sokoman Minerals Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, cash held in a financial institution or investments having a maturity of 90 days or less at acquisition or are readily convertible to the contracted amounts of cash.

Property and equipment

Equipment is recorded at historical cost, less accumulated amortization and accumulated impairment loss. Historical cost includes all costs directly attributable to the acquisition. Amortization is provided using the declining balance method using the following rates:

Exploration equipment	20%
Office equipment	20%
Trucks	30%

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property and equipment and any changes arising from the assessment are applied by the Company prospectively.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in "other operating income and expenses" in the Consolidated Statements of Loss and Comprehensive Loss.

Exploration and evaluation assets

Acquisition costs related to exploration properties are capitalized as exploration and evaluation assets at fair value at the time the legal right to explore the property has been acquired. The acquisition costs are written off when an exploration and evaluation asset is disposed of through sale or abandonment.

Exploration and evaluation expenditures incurred on exploration properties are expensed until such time that a future economic benefit is more likely to be realized than not by the establishment of ore resources. Exploration and evaluation expenditures incurred subsequent to the establishment of commercially viable and technically feasible gold resources on a property are capitalized as an exploration and evaluation asset. Exploration and evaluation assets are not depreciated until the properties are in commercial production.

Farm-out

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral property interest, as consideration, for an agreement by transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral property interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Sokoman Minerals Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, 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, where appropriate, the risks specific to the liability.

The Company has no material provisions at June 30, 2023 and 2022.

Decommissioning or restoration provision

The Company records the fair value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation, and re-vegetation of affected areas.

The estimated fair value of a liability, and corresponding increase in the related property, is reported in the year in which it is incurred and when a reasonable estimate of fair value can be made. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the cost to expense using a systematic and rational method over its useful life, and records the accretion of the liability as a charge to the Consolidated Statements of Loss and Comprehensive Loss.

As the Company has not commenced construction and development of any mining operations, it does not have any provisions for decommissioning or restoration costs.

Impairment of non-financial asset

At each reporting date of the statements of financial position, the Company reviews the carrying amounts of its indefinite tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. Definite life assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Consolidated Statements of Loss and Comprehensive Loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years.

Sokoman Minerals Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the flow-through subscribers at an agreed upon date.

Flow-through shares are reported at issue price. If the flow-through shares are issued at a premium to the market price of non-flow through or hard dollar shares at the date of announcement, such premium or excess proceeds is reported as a liability on the consolidated statements of financial position. The subsequent renunciation of such qualifying expenditures incurred by the Company in favour of the flow-through subscribers is reported as a reduction in the 'deferred premium on flow-through shares' liability on the statements of financial position and a corresponding reduction in deferred tax expense on the Consolidated Statements of Loss and Comprehensive Loss.

Share-based compensation transactions

Stock options

The fair value of stock options granted to directors, officers, and employees is measured at grant date using the Black-Scholes valuation model using assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares, expected forfeitures and expected life of the options. The fair value of this share-based payment is recognized as a charge to the Consolidated Statements of Loss and Comprehensive Loss with a corresponding credit to shareholders' equity on the consolidated statements of financial position.

The fair value of stock options, subject to a vesting schedule, is recognized using the accelerated method and is measured using Black Scholes and assumptions at the time of vesting. The applicable fair values of any stock options which are exercised are transferred from contributed surplus to capital stock. Management is required to estimate forfeitures, and revise its estimates of the number of stock options expected to vest each period. The impact of any revisions to management's estimate on forfeitures, if any, is recognized during the period.

Share-based payments to non-employees

Share-based payments granted to non-employees are measured at the fair value of the goods or services received. In the event the Company cannot reasonably estimate the fair value of goods or services received, the transaction is recorded at the estimated value of the underlying equity instrument, measured at the date the Company obtains the goods or the counterparty renders the service. Management is required to estimate forfeitures, and revise its estimates of the number of stock options expected to vest each period. The impact of any revisions to management's estimate on forfeitures, if any, is recognized during the period.

Loss per common share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period, including contingently issuable shares which are included when the conditions necessary for the issuance have been met. Diluted earnings per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. In periods where the Company reports a loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and therefore basic and diluted loss per share are the same.

Sokoman Minerals Corp.
Notes to Consolidated Financial Statements
Years Ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

Segment disclosures

The Company operates in North America in the acquisition and exploration of mineral properties.

Income taxes

Income taxes are calculated using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for timing differences between the tax and accounting basis of assets and liabilities, and for the recognition of accumulated capital and non-capital losses, which in the opinion of management, are more likely than not to be realized before expiry.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be in effect in the period when the asset is expected to be realized or the liability is expected to be settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period and are disclosed as non-current. The effect on deferred income tax assets and liabilities resulting from a change in enacted tax rates is included in income in the year in which the change is enacted or substantively enacted.

Comprehensive income

Comprehensive income is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a year except those resulting from investments by owners and distributions to owners. Comprehensive income is comprised of net income for the period and other comprehensive income. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in "other comprehensive income" until it is considered appropriate to recognize into net earnings.

The Company had no comprehensive income or loss transactions, other than its net loss, presented in the Consolidated Statements of Loss and Comprehensive Loss, nor has the Company accumulated other comprehensive income during the periods that have been presented.

The Company had no comprehensive income or loss transactions, other than its net loss, presented in the Consolidated Statements of Loss and Comprehensive Loss and Deficit, nor has the Company accumulated other comprehensive income during the periods that have been presented.

Related party transactions

Parties are considered 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, or is a member of the key management personnel of the reporting entity. Parties are also considered 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 said parties. Such transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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2. Summary of significant accounting policies (continued)

Significant judgments in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the audited consolidated financial statements require management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the audited consolidated financial statements. Areas of significant judgment and estimates affecting the amounts recognized in the unaudited Interim condensed financial statements include:

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the Consolidated Statements of Loss and Comprehensive Loss in the period when the new information becomes available. The carrying value of these assets is detailed in Note 6.

Valuation of share-based payments

The Company records all share based payments and warrants using the fair value method. The Company uses the Black-Scholes model to determine the fair value of stock options, warrants and broker warrants. The main factor affecting the estimates of the fair value of stock options, warrants, broker warrants and compensation options is the stock price expected volatility used. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

Estimated useful lives and residual values of equipment and the measurement of depreciation expense

Management estimates the useful lives of equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's equipment in the future.

Government grants

The Company makes periodic applications for financial assistance under available government incentive programs and tax credits related to the mineral property expenditures. The Company recognizes government assistance on an accrual basis when all requirements to earn the assistance have been completed and receipt is reasonably assured. Government grants are recognized on the consolidated statements of financial position under tax credits recoverable and accrued as a reduction of mineral exploration expenses. Government grants relating to mineral expenditures are reflected as a reduction of the cost of the property or as a reduction to exploration expenses. Government grants relating to operating expenses are reflected as a reduction of the expense.

Sokoman Minerals Corp.
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2. Summary of significant accounting policies (continued)

New and future accounting pronouncements

Amendment to IAS 1 - Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments must be applied retrospectively in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The Company is in the process of assessing the impact the amendments may have on future financial statements and plans to adopt the new standard retrospectively on the required effective date.

IFRS 10 - Consolidated Financial Statements ("IFRS 10") and IAS 28 - Investments in Associates and Joint Ventures ("IAS 28")

IFRS 10 and IAS 28 were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted. The amendments are not expected to have a significant impact on the Company's consolidated financial statements.

3. Capital and financial risk management

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the year ended June 30, 2023 and, accordingly, the approach of the current year is consistent with that of the prior fiscal year.

The Company's capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate.

The Company manages capital in proportion to risk and manages the exploration and evaluation assets and capital structure based on economic conditions and prevailing gold commodity pricing and trends. The Company relies on equity financings to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments.

Fair value

The carrying values for primary financial instruments, including cash and cash equivalents, accounts receivables, and accounts payable and accrued liabilities approximate fair values due to their short-term maturities. The Company's exposure to potential loss from financial instruments relates primarily to its cash held with Canadian financial institutions.

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3. Capital and financial risk management (continued)

The fair value of financial instruments that are measured subsequent to initial recognition at their fair value, is measured within a 'fair value hierarchy' which has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities and

Level 2: valuation techniques using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and cash equivalents is considered Level 1.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Company during the year. The objectives and strategy for the exploration and evaluation asset portfolio remains unchanged.

The Company's exploration and development activities expose it to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's exposure to credit risk is concentrated in two specific areas: the credit risk on operating balances including receivables, primarily comprised of amounts receivable and security deposit, and Cash held with Canadian financial institutions. The maximum exposure to credit risk is equal to the carrying values of these financial assets.

The aggregate gross credit risk exposure at June 30, 2023 was \$5,253,483 (June 30, 2022 - \$10,953,221), and was comprised of \$362,948 (June 30, 2022 - \$613,563) in amounts receivables and \$4,890,535 (June 30, 2022 - \$10,339,658) in cash held with Canadian financial institutions with an "AA" credit rating.

Property risk

The Company's significant projects are the Central Newfoundland Gold Project, the Star Trek antimony/gold (Sb/Au) property, and the Iron Horse (iron ore) property, all in the province of Newfoundland & Labrador, Canada. Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon these properties. If no additional mineral resource properties are acquired by the Company, any adverse development affecting these properties may have a material adverse effect on the Company's financial condition and results of operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

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3. Capital and financial risk management (continued)

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has no US dollar hedging program due to its exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

Commodity Price Risk

Commodity prices, and in particular gold spot prices, fluctuate and are affected by factors outside of the Company's control. The current and expected future spot prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity management is to ensure that there will be sufficient cash to meet all financial commitments and working capital obligations as they become due. To manage cash flow requirements, the Company maintains principally all its assets in cash and equivalents.

Sensitivity Analysis

The Company believes that the +(-) 10% movements in investments FVTPL that are reasonably possible over the next twelve-month period will not have a significant impact on the Company. The Company believes that its cash position and short term investments provide adequate liquidity to meet all of the Company's near-term obligations.

4. Amounts receivable, prepaid expenses and security deposit

	As at June 30, 2023	As at June 30, 2022
Prepaid expenses	\$ 48,209	\$ 43,746
Security deposit	2,550	2,150
HST receivable	240,095	491,920
Accounts receivable	40,722	76,831
Interest receivable	82,131	44,812
	\$ 413,707	\$ 659,459

Sokoman Minerals Corp.
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5. Marketable securities

All of the marketable securities held by the Company were acquired through current and prior year's property option and sales transactions with the below listed companies. As at June 30, 2023, the following securities were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value
Thunder Gold Corp. (formerly White Metal Resources Corp.) (i)	1,750,000	\$ 102,500	\$ (32,500)	\$ 70,000
Trans Canada Gold Corp. (ii)	225,000	48,375	(39,375)	9,000
Canterra Minerals Corp. (iii)	600,000	121,000	(85,000)	36,000
Benton Resources Inc. (iv)	220,975	30,336	(18,182)	12,154
Newfoundland Fluorspar Exploration Ltd.	1,000,000	-	-	-
Puddle Pond Resources Inc.	150,000	-	-	-
		\$ 302,211	\$ (175,057)	\$ 127,154

(i) The Company received a total of 1,750,000 shares as option payments valued at \$102,500 at the time of receipt for its Startrek property (see note 7).

(ii) The Company received 225,000 shares as an option payment valued at \$48,375 at the time of receipt for its Crippleback property (see note 7).

(iii) The Company received an aggregate of 600,000 shares as an option payment valued at \$121,000 at the time of receipt for its East Alder property (see note 7).

(iv) Pursuant to the Benton participation agreement, the Company received 220,975 Benton shares valued at \$30,336 at the time of receipt as Benton's contribution of the Company's Grey River option payments (see note 7).

6. Property and equipment

Cost	Office equipment	Trucks	Prospecting equipment	Total
Balance, June 30, 2021	\$ 12,649	\$ 176,449	\$ 78,480	\$ 267,578
Additions	-	225,446	-	225,446
Disposals	-	(78,323)	-	(78,323)
Balance, June 30, 2022	12,649	323,572	78,480	414,701
Additions	-	36,947	-	36,947
Disposals	-	(21,494)	-	(21,494)
Balance, June 30, 2023	\$ 12,649	\$ 339,025	\$ 78,480	\$ 430,154

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6. Property and equipment (continued)

Accumulated Amortization	Office equipment	Trucks	Prospecting equipment	Total
Balance, June 30, 2021	\$ 7,760	\$ 41,850	\$ 35,684	\$ 85,294
Disposals	-	(24,791)	-	(24,791)
Depreciation for the year	976	63,633	8,560	73,169
Balance, June 30, 2022	8,736	80,692	44,244	133,672
Disposals	-	(15,228)	-	(15,228)
Depreciation for the year	784	72,932	6,848	80,564
Balance, June 30, 2023	\$ 9,520	\$ 138,396	\$ 51,092	\$ 199,008

Carrying value	Office equipment	Trucks	Prospecting equipment	Total
Balance, June 30, 2022	\$ 3,913	\$ 242,880	\$ 34,236	\$ 281,029
Balance, June 30, 2023	\$ 3,129	\$ 200,629	\$ 27,388	\$ 231,146

7. Exploration and evaluation assets

	June 30, 2021	Additions (Disposals)	June 30, 2022	Additions (Disposals)	June 30, 2023
Moosehead	\$ 368,689	\$ -	\$ 368,689	\$ -	\$ 368,689
Crippleback	44,525	(9,000)	35,525	-	35,525
East Alder	106,500	(55,000)	51,500	(6,000)	45,500
Unity Resource	82,500	-	82,500	-	82,500
Burin Property	1	-	1	-	1
Lamaline	1	-	1	-	1
Iron Horse	1	-	1	-	1
Fleur de Lys	139,600	145,750	285,350	(23,785)	261,565
Benton Joint Venture	149,805	105,312	255,117	(9,276)	245,841
Total	\$ 891,622	\$ 187,062	\$ 1,078,684	\$ (39,061)	\$ 1,039,623

Moosehead

The Company acquired 100% of the property during the year ended June 30, 2018. The Company issued 7,754,371 common shares and issued 1,428,571 share purchase warrants. The purchase warrants had an exercise price of \$0.05 per share and were fully exercised in 2019. The property is subject to a 2% NSR royalty. The Company had a requirement to incur \$500,000 in exploration expenditures on the property, which was incurred during the year ended June 30, 2019. Hence this spending requirement has been met.

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7. Exploration and evaluation assets (continued)

Fleur de Lys

In March 2021, the Company acquired the Fleur de Lys Project on the Baie Verte Peninsula of northwestern Newfoundland, through staking and option agreements.

In June 2021, the Company entered into 2 property option agreements:

- The Company can acquire a 100% interest in a property (the "Duffitt Property") subject to a 2% NSR in favour of the optionors. 1% of the NSR may be purchased by the Company for \$1,000,000. Pursuant to the option agreement, the Company can acquire 100% interest in the Duffitt Property for the following considerations:
 - Cash payment of \$20,000 (completed);
 - Issuance of 75,000 Sokoman shares upon TSX Venture Exchange approval (completed);
 - Cash payment of \$20,000 and issuance of 100,000 Sokoman shares on or before the first anniversary (completed);
 - Cash payment of \$25,000 and issuance of 100,000 Sokoman shares on or before the second anniversary (completed); and
 - Cash payment of \$35,000 and issuance of 175,000 Sokoman shares on or before the third anniversary.
- The Company can acquire a 100% interest in a property (the "Squires/McGuire Property") subject to a 2% NSR in favour of the optionors. 1% of the NSR may be purchased by the Company for \$1,000,000. Pursuant to the option agreement, the Company can acquire 100% interest in the Squires/McGuire Property for the following considerations:
 - Cash payment of \$5,000 (completed);
 - Issuance of 25,000 Sokoman shares upon TSX Venture Exchange approval (completed);
 - Cash payment of \$10,000 and issuance of 50,000 Sokoman shares on or before the first anniversary (completed);
 - Cash payment of \$15,000 and issuance of 75,000 Sokoman shares on or before the second anniversary (completed); and
 - Cash payment of \$20,000 and issuance of 100,000 Sokoman shares on or before the third anniversary.

Benton Joint Venture

Golden Hope and Kepenkeck

In May 2021, the Company entered into a strategic alliance with Benton Resources Inc. ("Benton") to jointly acquire and explore gold opportunities in Newfoundland. The Company and Benton acquired, by staking, a new property named the Golden Hope Joint Venture. The joint venture also includes 50-50 joint venture on Benton's Kepenkeck Gold property.

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7. Exploration and evaluation assets (continued)

Grey River

In May 2021, the Company and Benton jointly acquired the Grey River Project optioned from local interests under letter agreements.

In July 2021, the Company entered into 2 property option agreements on behalf of the strategic alliance with Benton:

- The Company can acquire a 100% interest in a property (the "Lewis Property") subject to a 1.5% NSR in favour of the optionors. 1% of the NSR may be purchased by the Company for \$1,000,000. Pursuant to the option agreement, the Company can acquire 100% interest in the Lewis Property for the following considerations:
 - Cash payment of \$10,000 (completed);
 - Issuance of 50,000 Sokoman shares upon TSX Venture Exchange approval (completed);
 - Cash payment of \$10,000 and issuance of 50,000 Sokoman shares on or before the first anniversary (completed);
 - Cash payment of \$10,000 and issuance of 50,000 Sokoman shares on or before the second anniversary; and
 - Cash payment of \$10,000 and issuance of 500,000 Sokoman shares on or before the third anniversary.
- The Company can acquire a 100% interest in a property (the "G2B Property") subject to a 1.5% NSR in favour of the optionors. 1% of the NSR may be purchased by the Company for \$1,000,000. Pursuant to the option agreement, the Company can acquire 100% interest in the G2B Property for the following considerations:
 - Cash payment of \$10,000 (completed);
 - Issuance of 50,000 Sokoman shares upon TSX Venture Exchange approval (completed);
 - Cash payment of \$10,000 and issuance of 50,000 Sokoman shares on or before the first anniversary; and
 - Cash payment of \$10,000 and issuance of 50,000 Sokoman shares on or before the second anniversary.

During the year ended June 30, 2023, the Company returned the G2B Property to the vendors and wrote down the mineral properties by \$21,750.

Larry's Pond

Sokoman and Benton jointly entered into an option agreement to acquire the Larry's Pond Project. Under the terms of the joint venture, the Company will reimburse Benton for 50% of the following option payments to be made by Benton:

- Cash payment of \$10,000 on execution of the agreement (completed);
- Issuance of 50,000 Benton shares upon receipt of Exchange approval of the agreement (completed);
- Cash payment of \$10,000 and issuance of 50,000 Benton shares by the first anniversary;
- Cash payment of \$10,000 and issuance of 50,000 Benton shares by the second anniversary; and
- Cash payment of \$30,000 and issuance of 50,000 Benton shares by the third anniversary.

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7. Exploration and evaluation assets (continued)

Central Newfoundland Gold Project

During the year ended June 30, 2017, the Company acquired, through a combination of staking and option, the central Newfoundland Gold Project which consists of three separate properties: 1. Crippleback Lake; 2. Princess Lake; and, 3. East Alder properties in central Newfoundland.

Crippleback Lake

The property was acquired during the year ended June 30, 2017. To obtain a 100% interest, the Company is committed to the following payments: total cash of \$34,500 (paid) and, share payments totaling 600,000 (issued) over a three-year option agreement. The vendors will retain a 2% NSR with a buyback of 1% for \$1 million, as well as, a 1% NSR on Sokoman's contiguous claims with a \$500,000 cash buyback of 0.5%. The vendors will also receive 10% of the value of any third party transaction Sokoman completes on the property, as well as first consideration for any eligible field work.

In June 2021, the Company entered into an option agreement with Trans Canada Gold Corp ("Trans Canada"), whereby Trans Canada can earn a 100% interest in the Crippleback property, subject to a 1% NSR, by issuing a total of 1,250,000 shares of Trans Canada (225,000 shares received) to the Company as well as cash and work commitments totaling \$600,000 over a 4-year period. In June 2022, Trans Canada returned the property to the Company with no interest retained by Trans Canada.

East Alder

The property was acquired during the year ended June 30, 2017 and consists of two licenses and two separate agreements with:

a) Benton Resources Inc.

To obtain a 100% interest in this property, the Company is committed to the following payments:

- (i) 1 million common shares, due on signing of the agreement (completed);
- (ii) \$1,500 in cash, due on signing of the agreement (completed);
- (iii) 500,000 common shares, due on first anniversary of agreement date (completed);
- (iv) 500,000 common shares, due on second anniversary of agreement date (completed);

Sokoman is also committed to \$600,000 in payments, contingent on its reaching the following milestones:

- (i) \$100,000 payment in cash/shares/or mix, upon completion of a NI 43-101 compliant resource;
- (ii) \$200,000 payment in cash/shares/or mix upon completion of a pre-feasibility;
- (iii) \$300,000 cash payment upon completion of a final/full/bankable feasibility;

Benton Resources Inc. also retains a 2% NSR of which 1% can be purchased for \$1 million.

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7. Exploration and evaluation assets (continued)

Central Newfoundland Gold Project (continued)

b) Unity Resources – a private consortium;

To obtain a 100% interest in this property, the Company is committed to the following payments:

- (i) 750,000 common shares, due on signing of the agreement (completed);
- (ii) \$5,000 in cash, due on signing of the agreement (\$1,500 paid);
- (iii) 650,000 common shares, due on first anniversary of agreement date (completed);

Sokoman is also committed to \$600,000 in payments, contingent on its reaching the following milestones:

- (i) \$100,000 payment in cash/shares/or mix, upon completion of a NI 43-101 compliant resource;
- (ii) \$200,000 payment in cash/shares/or mix upon completion of a pre-feasibility;
- (iii) \$300,000 cash payment upon completion of a final/full/bankable feasibility;
- (iv) The vendors retain a 2% NSR of which half (1%) can be purchased for \$1 million cash.

In April 2021, the Company entered into an option agreement with Canterra Minerals Corporation ("Canterra") whereby Canterra can acquire 100% of the East Alder property. Pursuant to the terms of the option agreement, Canterra can acquire 100% of the property by issuing to the Company a total of 750,000 common shares of Canterra (600,000 common shares received) and work commitments totaling \$600,000 over a 4-year period. The Company will retain a 1.0% NSR on the property, with Canterra having the right to buy down 0.5% of the NSR for \$1,000,000.

Startrek

The Company acquired 100% interest in two antimony/gold properties in northeastern Newfoundland, the Startrek and Antimony Ridge properties. The Company has issued two million common shares of Sokoman. The property is subject to a 2% NSR royalty to the vendors. This acquisition agreement is with parties related to a Director at the time. The Antimony Ridge property has since been dropped leaving only the Startrek property.

On December 17, 2018, the Company entered into an option agreement to grant White Metal Resources Corp ("White Metal") a 100% interest in the Startrek property. On August 17, 2020, the Company amended the terms of the option agreement. Pursuant to the terms of the amended option agreement, White Metal issued a total of 1,750,000 common shares over 2 years. As a result, the Company recognized an option income of \$52,500 during the year ended June 30, 2021.

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8. Mineral exploration expenses

A summary of exploration expenditures incurred for the years ended June 30, 2023 and 2022 is as follows:

For year ended June 30, 2023	Moosehead	Fleur de Lys	Benton Joint Venture	Total
Field office expenses	\$ 227,538	\$ 15,760	\$ 155,668	\$ 398,966
Geo services	655,642	21,721	398,044	1,075,407
Drilling	3,495,580	-	1,229,283	4,724,863
Analysis	697,126	94,388	139,705	931,219
Wages and salaries	772,553	127,537	315,431	1,215,521
Amortization	79,780	-	-	79,780
Travel and accommodations	113,560	14,144	104,393	232,097
Administrative	-	-	53,253	53,253
Government grant	-	(45,450)	-	(45,450)
Total	\$ 6,041,779	\$ 228,100	\$ 2,395,777	\$ 8,665,656

For year ended June 30, 2022	Moosehead	Fleur de Lys	Benton Joint Venture	Total
Field office expenses	\$ 643,930	\$ 144,918	\$ 102,527	\$ 891,375
Geo services	259,886	392,782	989,768	1,642,436
Drilling	5,252,393	-	245,818	5,498,211
Analysis	314,119	87,080	30,858	432,057
Wages and salaries	860,558	107,827	134,462	1,102,847
Amortization	72,193	-	-	72,193
Travel and accommodations	86,717	54,259	60,117	201,093
Administrative	-	-	21,659	21,659
Government grant	-	(60,000)	-	(60,000)
Total	\$ 7,489,796	\$ 726,866	\$ 1,585,209	\$ 9,801,871

9. Share capital

(a) Authorized share capital

- (i) an unlimited number of common shares
- (ii) an unlimited number of preferred shares issued in series (none issued to date)

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9. Share capital (continued)

(b) Common shares issued

	Number of shares	Share capital
Balance, June 30, 2021	199,426,397	\$ 31,867,413
Private placements (i)	12,500,000	5,000,000
Share issue costs (i)	-	(73,000)
Warrant valuation (i)	-	(1,405,000)
Warrants exercised	558,050	182,772
Stock options exercised	1,312,500	224,876
Shares issued to acquire exploration properties	393,449	176,957
Balance, June 30, 2022	214,190,396	\$ 35,974,018
Private placements (ii)	14,795,544	4,142,752
Share issue costs (ii)	-	(199,886)
Warrant valuation (ii)	-	(534,800)
Shares issued to acquire exploration properties	267,107	46,592
Balance, June 30, 2023	229,253,047	\$ 39,428,676

(i) On March 21, 2022, the Company completed a non-brokered private placement for total proceeds of \$5,000,000 consisting of 12,500,000 flow-through units at a price of \$0.40 per unit. Each unit consisted of one common share and one common share purchase warrant. Each whole warrant is exercisable for an exercise price of \$0.45 for a period of 24 months. In connection with the private placement, the Company incurred \$73,000 of cash share issuance costs.

The grant date fair value of the 12,500,000 warrants was estimated to be \$1,405,000 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 94%, risk-free interest rate of 2.03%, and expected life of 2 years.

(ii) On December 28, 2022, the Company completed a non-brokered private placement for total proceeds of \$4,142,752 consisting of 14,795,544 flow-through units at a price of \$0.28 per unit. Each unit consisted of one common share and one half common share purchase warrant. Each whole warrant is exercisable for an exercise price of \$0.36 for a period of 18 months. In connection with the private placement, the Company incurred \$199,886 of cash share issuance costs.

The grant date fair value of the 7,397,772 warrants was estimated to be \$534,800 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 84%, risk-free interest rate of 4.02%, and expected life of 1.5 years.

(c) Stock options

The Company has adopted an incentive stock option plan in accordance with the policies of the TSX Venture (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for a period of up to five (5) years.

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9. Share capital (continued)

(c) Stock options (continued)

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

	Number of stock options	Weighted average exercise price
Balance, June 30, 2021	9,112,500	\$ 0.17
Granted (i)(ii)	5,050,000	0.44
Exercised	(1,312,500)	0.09
Cancelled	(125,000)	0.08
Balance, June 30, 2022 and June 30, 2023	12,725,000	\$ 0.29

(i) On September 29, 2021, the Company granted 4,450,000 stock options to officers, directors, employees and consultants of the Company exercisable at a price of \$0.44 per common share. The options vest 1/4 each on grant date and every six months thereafter and expire in five years. The grant date fair value of \$1,423,100 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.35, expected dividend yield of 0%, expected volatility of 157% which is based on historical volatility of the Company's share price, risk-free rate of return of 1.11% and an expected maturity of 5 years. For the year ended June 30, 2023, \$265,936 (year ended June 30, 2022 - \$1,157,164) was expensed to share-based compensation.

(ii) On May 19, 2022, the Company granted 600,000 stock options to employees and consultants of the Company exercisable at a price of \$0.44 per common share. The options vest 1/4 each on grant date and every six months thereafter and expire in five years. The grant date fair value of \$164,800 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.33, expected dividend yield of 0%, expected volatility of 127% which is based on historical volatility of the Company's share price, risk-free rate of return of 2.75% and an expected maturity of 5 years. For the year ended June 30, 2023, \$95,646 (year ended June 30, 2022 - \$58,497) was expensed to share-based compensation.

The following table reflects the actual stock options issued and outstanding as of June 30, 2023:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding
September 12, 2023 (iii)	0.16	0.20	3,950,000
February 5, 2024	0.12	0.60	500,000
November 27, 2025	0.22	2.41	2,825,000
March 14, 2026	0.295	2.71	250,000
May 13, 2026	0.46	2.87	150,000
September 28, 2026	0.44	3.25	4,450,000
May 19, 2027	0.44	3.89	600,000
	0.29	2.03	12,725,000

(iii) Subsequent to June 30, 2023, 3,950,000 stock options expired unexercised.

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9. Share capital (continued)

(d) Warrants

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

	Number of warrants	Weighted average exercise price
Balance, June 30, 2021	13,098,650	\$ 0.39
Issued	12,500,000	0.45
Exercised	(558,050)	0.24
Expired	(40,600)	0.14
Balance, June 30, 2022	25,000,000	\$ 0.43
Issued	7,397,772	0.36
Expired	(12,500,000)	0.40
Balance, June 30, 2023	19,897,772	\$ 0.42

The following table reflects the warrants outstanding as of June 30, 2023:

Expiry date	Exercise price (\$)	Number of warrants outstanding
March 21, 2024	0.45	12,500,000
June 29, 2024	0.36	7,397,772
	0.42	19,897,772

10. Related party transactions

(a) The Company entered into the following transactions with related parties:

(i) Included in business development and promotion is \$79,000 for the year ended June 30, 2023 (2022 - \$75,000) paid to a company related to a director.

(ii) Included in business development and promotion is \$36,000 for the year ended June 30, 2023 (2022 - \$36,000) paid to a director. As at June 30, 2023, \$nil (June 30, 2022 - \$4,200) was owed to this director and this amount was included in accounts payable and accrued liabilities.

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10. Related party transactions (continued)

(iii) During the year ended June 30, 2023, the Company incurred legal fees of \$34,187 (2022 - \$55,490) included in professional fees and share issuance costs of \$7,730 (2022 - \$nil) to a law firm controlled by the Corporate Secretary. As at June 30, 2023, \$nil (June 30, 2022 - \$7,031) was owed to this company and this amount was included in accounts payable and accrued liabilities.

(iv) Included in professional fees is \$69,365 (2022 - \$63,947) paid to Marrelli Support Services Inc. ("MSSI") for an employee of MSSI to act as the Chief Financial Officer of the Company and bookkeeping services.

(b) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors and key management personnel of the Company, except as noted in (a) above, was as follows:

	Year Ended June 30, 2023	Year Ended June 30, 2022
Salaries and benefits	\$ 136,748	\$ 130,146
Wages and salaries included in mineral exploration expenses	108,252	128,604
Directors fees	32,100	30,900
Share-based payments	140,438	685,089
	\$ 417,538	\$ 974,739

As at June 30, 2023, \$2,903 (June 30, 2022 - \$16,800) was owed to key management personnel and this amount was included in accounts payable and accrued liabilities.

11. Commitments

In connection with the flow-through share financing in December 2022, the Company is committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) of a total of \$4,142,752 by December 31, 2023. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

As at June 30, 2023, the Company is required to incur approximately \$900,000 of qualifying exploration expenditures by December 31, 2023.

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12. Income taxes

Provision for income taxes

The provision for income taxes is different from the amount that would have been computed by applying statutory Canadian federal and provincial rates (26.5%) due to the following:

	Year Ended June 30, 2023	Year Ended June 30, 2022
Loss before income taxes	\$ (9,939,574)	\$(12,264,912)
Expected tax recovery at 26.5%	(2,633,987)	(3,250,202)
Adjustments for the following items:		
Mineral exploration expenses	2,302,163	2,567,496
Permanent difference	21,155	12,536
Stock-based compensation	256,509	371,809
Deductible share issue costs	(54,951)	(47,080)
Loss carry forward not recognized	95,258	291,538
Unrealized gain on marketable securities	13,853	53,903
Deferred income tax recovery	-	-

(i) The \$nil (2022 - \$nil) of deferred income tax recovery above pertains to the deferred premium on flow-through shares

Deferred income tax assets/liabilities

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes as opposed for income tax purposes. The tax effect of these temporary differences that would give rise to significant portions of the deferred tax assets and deferred tax liabilities at June 30, 2023 and 2022 were as follows:

	June 30, 2023	June 30, 2022
Non-capital losses	\$ 3,391,283	\$ 3,275,838
Mineral property expenditures	2,777,122	1,613,105
Share issue costs	119,079	120,060
Property and equipment	94,577	59,659
Temporary differences	6,382,061	5,068,662
Valuation allowance	(6,382,061)	(5,068,662)
Net deferred tax liability	\$ -	\$ -

(ii) The deferred income tax liability consists of unrenounced flow-through premium.

The potential deferred tax benefit of the non-capital losses has not been recognized in the financial statements except to the extent of exploration expenditures renounced to holders of flow-through shares as prescribed.

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12. Income taxes (continued)

Non-capital losses

Utilization of the non-capital losses and the foreign exploration and development expenditures are subject to limitations. The Company has placed a full valuation allowance on its excess tax assets due to a lack of past taxable profits. It does not believe significant income tax obligations will occur in the near-future. As at June 30, 2023, the Company has \$12,821,000 (June 30, 2022 - \$12,461,000) in unused tax losses available for tax carry-forward purposes as follows:

2027	\$ 39,000
2028	204,000
2029	990,000
2030	603,000
2031	1,146,000
2032	2,250,000
2033	2,100,000
2034	620,000
2035	130,000
2036	335,000
2037	292,000
2038	426,000
2039	1,020,000
2040	606,000
2041	637,000
2042	1,063,000
<u>2043</u>	<u>360,000</u>
	<u>\$ 12,821,000</u>

13. Subsequent event

On October 11, 2023, the Company announced that Benton and Sokoman entered into a Definitive Agreement (the "Transaction") with Piedmont Lithium Inc. and its subsidiaries ("Piedmont"), enabling Piedmont to earn up to a 70% direct and indirect ownership interest in the Golden Hope project to be renamed the Killick Lithium Project.

The highlights of the Transaction include:

- Benton and Sokoman incorporated Vinland Lithium ("Vinland") and Vinland's wholly owned subsidiary Killick Lithium ("Killick") into which Sokoman and Benton transferred the Golden Hope Project.
- Piedmont financed Vinland \$2,000,000 at \$1 per share to hold 19.9%.
- Piedmont will have the option to earn up to a 62.5% direct interest in Killick by spending an aggregate \$12 million in exploration and development during the option period.
- Upon Piedmont completing all earn-in-options, Piedmont will have paid Benton and Sokoman up to a total of \$10 million in Piedmont shares.