COSA RESOURCES CORP.

Condensed Interim Consolidated Financial Statements

For the three months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of No-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three Months Ended January 31, 2023 and 2022

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of COSA Resources Corp. for the interim periods ended January 31, 2023 and 2022, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting,* as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, D&H Group LLP, have not performed a review of these interim financial statements.

March 22, 2023

COSA RESOURCES CORP.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	**January 31, 2023**	October 31, 2022
		$	$
ASSETS			
Current assets			
Cash		**1,616,494**	1,840,954
Goods and services tax recoverable		**58,197**	47,619
Prepaid expenses		**153,373**	128,716
		1,828,064	2,017,289
Exploration and evaluation assets	6	**1,522,813**	1,469,172
Total assets		**3,350,877**	3,486,461
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	**125,123**	45,491
Flow-through premium liability	7	**65,273**	98,715
Total liabilities		**190,396**	144,206
SHAREHOLDERS' EQUITY			
Share capital	8(b)	**4,125,558**	4,125,558
Reserves		**583,299**	487,881
Deficit		**(1,548,376)**	(1,271,184)
Total shareholders' equity		**3,160,481**	3,342,255
Total liabilities and shareholders' equity		**3,350,877**	3,486,461

Nature of business and going concern (Note 1)
Subsequent events (Note 12)

Approved and authorized for issue on behalf of the Board of Directors:

"Wesley Short"	*"Janine Richardson"*
Director	Director

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

COSA RESOURCES CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended January 31, 2023	Three months ended January 31, 2022
		$	$
Operating expenses			
Exploration and evaluation expenses	6	**117,047**	7,731
Marketing and investor relations		**42,954**	-
Management fees	9	**26,250**	-
Office and administrative		**2,195**	15,905
Professional fees		**20,592**	32,472
Share-based compensation	9	**95,418**	-
Travel		**6,653**	-
Transfer agent and filing		**2,250**	-
		313,359	56,108
Other income			
Amortization of flow-through premium liability	7	**33,442**	-
Interest income		**2,725**	-
Net loss and comprehensive loss		**(277,192)**	(56,108)
Net loss per share:			
Basic and diluted		**(0.01)**	(0.00)
Weighted average number of shares:			
Basic and diluted		**33,725,079**	17,100,000

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

COSA RESOURCES CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three months ended January 31, 2023	2022
	$	$
Operating activities:		
Net loss for the period	**(277,192)**	(56,108)
Items not affecting cash:		
Share-based compensation	**95,418**	-
Amortization of flow-through premium liability	**(33,442)**	-
Changes in non-cash working capital items:		
Goods and services tax recoverable	**(10,578)**	(1,052)
Prepaid expenses	**(24,657)**	-
Accounts payable and accrued liabilities	**79,633**	31,011
Cash used in operating activities	**(170,819)**	(26,149)
Investing activities:		
Asset acquisition costs - Ursa Property	**(53,641)**	-
Cash used in investing activities	**(53,641)**	-
Net change in cash	**(224,460)**	(26,149)
Cash, beginning of the period	**1,840,954**	276,036
Cash, end of the period	**1,616,494**	249,887

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

COSA RESOURCES CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Number of shares	Share capital	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$
Balance, October 31, 2021	17,100,000	415,500	-	(134,464)	281,036
Net loss and comprehensive loss for the period	-	-	-	(56,108)	(56,108)
Balance, January 31, 2022	17,100,000	415,500	-	(190,572)	224,928
Initial public offering shares issued for cash	3,900,000	585,000	-	-	585,000
Shares issued for cash	5,600,000	1,400,000	-	-	1,400,000
Flow-through shares issued for cash	1,714,285	600,000	-	-	600,000
Flow-through premium liability	-	(171,429)	-	-	(171,429)
Shares issued to acquire Polaris	4,300,000	1,075,000	-	-	1,075,000
Shares issued as finders' fee	66,666	10,000	-	-	10,000
Share issuance costs	-	(195,691)	-	-	(195,691)
Share issuance costs - warrants	-	(52,950)	52,950	-	-
Shares issued from exercise of warrants	44,128	10,128	(3,509)	-	6,619
Shares issued for option agreement payment	1,000,000	450,000	-	-	450,000
Share-based compensation	-	-	438,440	-	438,440
Net loss and comprehensive loss for the period	-	-	-	(1,080,612)	(1,080,612)
Balance, October 31, 2022	33,725,079	4,125,558	487,881	(1,271,184)	3,342,255
Share-based compensation	-	-	95,418	-	95,418
Net loss and comprehensive loss for the period	-	-	-	(277,192)	(277,192)
Balance, January 31, 2023	**33,725,079**	**4,125,558**	**583,299**	**(1,548,376)**	**3,160,481**

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

1. NATURE OF BUSINESS AND GOING CONCERN

Cosa Resources Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on November 16, 2020. The Company's head office is located at 1295 Richards Street, Suite 801, Vancouver, British Columbia, Canada, V6B 1B7. The Company's registered office is located at 353 Water Street, Suite 401, Vancouver, British Columbia, Canada, V6B 1B8. On March 21, 2022, the shares of the Company began trading on the Canadian Securities Exchange under the symbol "COSA".

The Company's principal business activities include the acquisition and exploration of mineral property assets. The Company is in the exploration stage with respect to its interests in exploration and evaluation assets. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These unaudited condensed interim consolidated financial statements for the three months ended January 31, 2023 and 2022 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at January 31, 2023, the Company has not yet achieved profitable operations. The continuing operations of the Company are dependent upon obtaining the necessary financing to meet the Company's commitments as they become due and its ability to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which may differ materially from their carrying values. These financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on March 22, 2023.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited consolidated financial statements for the years ended October 31, 2022 and 2021 ("Annual Financial Statements").

b) Basis of measurement

The financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities, which are measured at fair value, as specified by IFRS, as well as information presented in the condensed interim consolidated statements of cash flows.

c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company and its subsidiary's is the Canadian dollar. The financial statements are presented in Canadian dollars, except as otherwise noted.

d) Basis of consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiary, Polaris Uranium Corp. The Company's financial statements include subsidiaries from the date control commences until the date control ceases. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany transactions and balances are eliminated on consolidation.

(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 3 to the Annual Financial Statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments, which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 4 to the Annual Financial Statements.

5. ACQUISITION

On July 5, 2022, the Company completed the acquisition of all issued and outstanding securities of Polaris Uranium Corp. ("Polaris") pursuant to the terms of a share exchange agreement dated June 27, 2022 (the "Agreement") among the Company, Polaris, and Polaris shareholders. The acquisition of Polaris resulted in the Company acquiring a 100% interest in certain mining tenements in Athabasca Basin, Saskatchewan, as these exploration stage properties are the assets of Polaris (Note 6).

Pursuant to the terms of the Agreement, the Company acquired 100% of the issued and outstanding securities of Polaris in consideration for the issuance of 4,300,000 common shares of the Company. The shares are subject to a 24-month hold period, with 25% of the common shares being released every six months, commencing January 4, 2023.

The acquisition of Polaris has been accounted for by the Company as a purchase of assets in accordance with the guidance provided in IFRS 2 *Share-based Payment* since it did not constitute a business combination under IFRS 3 *Business Combinations,* as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Polaris at the time of acquisition. Accordingly, no goodwill or intangible assets were recorded with respect to the acquisition.

A summary of the fair values of assets acquired and the purchase price as at the July 5, 2022 acquisition date is as follows:

		$
Purchase price:		
Fair value of common shares issued (4,300,000 shares at $0.25 per share)		1,075,000
Total consideration		**1,075,000**
Fair value allocated to:		
Cash		75,828
Exploration and evaluation assets:		
Castor Property	121,661	
Charcoal Property	453,193	
Ursa Property	341,288	
Orion Property	83,030	999,172
Net assets acquired		**1,075,000**

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	January 31, 2023	October 31, 2022
	$	$
Heron Project	**470,000**	470,000
Castor Property	**121,661**	121,661
Charcoal Property	**453,193**	453,193
Ursa Property	**394,929**	341,288
Orion Property	**83,030**	83,030
	1,522,813	1,469,172

Heron Project

In April 2021, the Company entered into an option agreement (the "Heron Option Agreement") with private arm's length vendors (the "Heron Vendors") pursuant to which the Company has the exclusive option to acquire a 100% interest in the Heron copper project in northern Saskatchewan, Canada (the "Heron Project").

In April 2021, pursuant to the terms of the Heron Option Agreement, the Company issued 1,000,000 common shares to the Heron Vendors with a fair value of $20,000, which has been recorded as exploration and evaluation asset. In addition, the Company has fulfilled the requirement to incur $100,000 in exploration expenditures on the project as of October 31, 2021.

During the year ended October 31, 2022, the Company exercised its option to acquire a 100% interest in the Heron Project and issued 1,000,000 common shares of the Company with a fair value of $450,000 to complete its remaining obligation under the terms of the Heron Option Agreement.

The Heron Vendors retain a 2% net smelter return royalty (the "NSR") over the Heron Project. The Company will have the right at any time following the delivery of a feasibility report on the Heron Project to repurchase one-half (1%) of the NSR for $2,000,000 in cash, and the remaining one-half (1%) of the NSR for $5,000,000 in cash.

A summary of the Company's exploration and evaluation expenses relating to the Heron Project is as follows:

	Three months ended January 31,	
	2023	2022
	$	$
Geological consulting	**-**	3,981
Land management	**120**	-
Miscellaneous	**-**	3,750
	120	7,731

Athabasca Uranium Properties

With the completion of the Polaris acquisition, the Company now holds an indirect 100% interest in four highly prospective uranium exploration properties, Castor, Charcoal, Ursa and Orion in the eastern Athabasca Basin (the "Athabasca Uranium Properties"). As a result, $999,172 was recognized as exploration and evaluation assets of the Company.

On January 19, 2023, the Company acquired an additional 41,119 hectares of uranium exploration mineral claims along the Cable Bay Shear Zone in the Eastern Athabasca basin, which is part of the Company's Ursa Property with total acquisition costs of $53,641.

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Castor Property

A summary of the Company's exploration and evaluation expenses relating to the Castor Property is as follows:

	Three months ended January 31, 2023	2022
	$	$
Geophysics	**34,019**	-
Geological consulting	**915**	-
Land management	**120**	-
	35,054	-

Charcoal Property

A summary of the Company's exploration and evaluation expenses relating to the Charcoal Property is as follows:

	Three months ended January 31, 2023	2022
	$	$
Geophysics	**79,379**	-
Geological consulting	**2,134**	-
Land management	**120**	-
	81,633	-

Ursa Property

A summary of the Company's exploration and evaluation expenses relating to the Ursa Property is as follows:

	Three months ended January 31, 2023	2022
	$	$
Land management	**120**	-
	120	-

Orion Property

A summary of the Company's exploration and evaluation expenses relating to the Orion Property is as follows:

	Three months ended January 31, 2023	2022
	$	$
Land management	**120**	-
	120	-

(Unaudited - Expressed in Canadian dollars)

7. FLOW-THROUGH PREMIUM LIABILITY

The Company has raised funds through the issuance of flow-through shares. Based on Canadian tax law, the Company is required to spend this amount on eligible exploration expenditures by December 31 of the year after the year in which the shares were issued.

The premium received for a flow-through share, which is the price received for the share in excess of the market price of the share, is recorded as a flow-through premium liability. This liability is subsequently reduced when the required exploration expenditures are made, on a pro rata basis, and accordingly, a recovery of flow-through premium is then recorded as a reduction in the deferred tax expense to the extent that deferred income tax assets are available.

On April 22, 2022, the Company issued 1,714,285 flow-through shares at a purchase price of $0.35 per flow-through share for gross proceeds of $600,000. The flow-through shares were issued at a premium of $0.10 per share. As a result, a flow-through premium liability of $171,429 was recorded. The Company is obligated to spend $600,000 by December 31, 2023 on eligible exploration expenditures. During the three months ended January 31, 2023, the Company incurred $117,047 of qualifying exploration expenditures. As a result, the flow-through premium liability was amortized and an amortization of flow-through premium liability of $33,442 was recorded.

A summary of the Company's flow-through premium liability and remaining eligible expenditure obligation movement is as follows:

	Flow-through funding and eligible expenditures	Flow-through premium liability
	$	$
Balance, October 31, 2021	-	-
Flow-through funds raised	600,000	171,429
Eligible expenditures	(254,499)	(72,714)
Balance, October 31, 2022	345,501	98,715
Eligible expenditures	(117,047)	(33,442)
Balance, January 31, 2023	**228,454**	**65,273**

8. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

During the three months ended January 31, 2023, the Company did not have any share capital transactions.

During the year ended October 31, 2022, the Company completed the following transactions:

- In March 2022, the Company completed its initial public offering (the "IPO") whereby 3,900,000 common shares of the Company were qualified for distribution under the Company's final prospectus at a price of $0.15 per common share for gross proceeds of $585,000. In connection with the IPO, total share issuance costs were $176,288 comprised of: (i) cash share issuance costs of $144,579, (ii) the issuance of 66,666 common shares with a fair value of $10,000, and (iii) the issuance of 273,000 compensation warrants with a fair value of $21,708. The compensation warrants allow the holder to acquire 273,000 common shares of the Company at an exercise price of $0.15 per common share for a two-year period.

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

- In April 2022, the Company issued 1,714,285 flow-through shares at a price of $0.35 per flow-through share for gross proceeds of $600,000 and 5,600,000 common shares at a price of $0.25 per common share for gross proceeds of $1,400,000. Total share issuance costs were $68,601 in connection with this financing, which includes $37,359 of cash share issuance costs and $31,242 related to 105,341 warrants issued to agents, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the reserves account in equity. Of the total warrants issued, 94,200 entitle the holder to purchase an additional common share for a period of two years at an exercise price of $0.25 per common share and 11,141 entitle the holder to purchase an additional common share for a period of two years at an exercise price of $0.35 per common share.

- In May 2022, the Company issued 1,000,000 common shares pursuant to the Heron Option Agreement (Note 6) at a price of $0.45 per common share for fair value of $450,000. In July 2022, the Company issued 4,300,000 common shares at a fair value of $0.25 per common share to acquire Polaris for fair value of $1,075,000 (Note 5). During the year ended October 31, 2022, the Company issued 44,128 common shares for gross proceeds of $6,619 on the exercise of warrants. Accordingly, the Company reallocated $3,509 from reserves to share capital.

c) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, October 31, 2021	-	-
Issued	378,341	0.18
Exercised	(44,128)	0.15
Balance, January 31, 2023 and October 31, 2022	**334,213**	**0.18**

A summary of the Company's outstanding warrants as at January 31, 2023 is as follows:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	$	years
March 18, 2024	228,872	0.15	1.13
April 22, 2024	105,341	0.26	1.23
	334,213	**0.18**	**1.16**

A summary of the Company's assumptions used in the Black-Scholes option pricing model for warrants issued on March 18, 2022 is as follows:

Exercise price	$0.15
Expected life of warrants	2 years
Risk-free interest rate	2.02%
Expected dividend yield	0.00%
Expected stock price volatility	100.00%

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

A summary of the Company's assumptions used in the Black-Scholes option pricing model for warrants issued on April 22, 2022 is as follows:

Exercise price	$0.26
Expected life of warrants	2 years
Risk-free interest rate	2.79%
Expected dividend yield	0.00%
Expected stock price volatility	100.00%

d) Stock options

The Company has adopted a stock option plan, subject to regulatory and shareholder approvals, whereby directors may, from time to time, authorize the issuance of options to directors, officers, employees, and consultants of the Company, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors of the Company.

A summary of the Company's stock option activity is as follows:

	Number of stock options	Weighted average exercise price
	#	$
Balance, October 31, 2021	3,215,000	0.31
Granted	150,000	0.30
Balance, January 31, 2023, and October 31, 2022	**3,365,000**	**0.30**

A summary of the Company's outstanding stock options as at January 31, 2023 is as follows:

Date of expiry	Weighted average exercise price	Options outstanding	Options exercisable	Weighted average remaining life
	$	#	#	years
March 30, 2027	0.33	2,100,000	700,000	4.16
July 5, 2027	0.27	1,090,000	363,333	4.43
October 5, 2027	0.21	25,000	8,333	4.68
December 1, 2027	0.17	150,000	50,000	4.84
	0.30	**3,365,000**	**1,121,667**	**4.28**

During the three months ended January 31, 2023, the Company recorded $95,418 of share-based compensation (2022 - $nil) related to vesting of stock options net of cancellations.

A summary of the Company's assumptions used in the Black-Scholes option pricing model for options issued on December 1, 2022 is as follows:

Exercise price	$0.17
Expected life of options	5 years
Risk-free interest rate	3.05%
Expected dividend yield	0.00%
Expected stock price volatility	100.00%

(Unaudited - Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

e) Share restrictions

Escrowed shares

On March 21, 2022, in connection with the Company's IPO, an escrow agreement (the "Escrow Agreement") between management and the Company's Board of Directors was completed resulting in 5,375,000 common shares (the "Escrowed Shares") being deposited in escrow. Pursuant to the Escrow Agreement, 10% of the Escrow Shares were released from escrow on the Escrow Agreement date (the "Initial Release") and an additional 15% to be released every six-month interval thereafter, for a period of 36 months following the Initial Release. These Escrowed Shares, may not be transferred, assigned, or otherwise dealt without the consent of the regulatory authorities. As at January 31, 2023, 1,343,750 Escrowed Shares have been released from escrow. As at January 31, 2023, the remaining balance of Escrowed Shares is 4,031,250 and are to be released as follows:

Date of release	Number of common shares in escrow
	#
March 21, 2023 (Note 12)	806,250
September 21, 2023	806,250
March 21, 2024	806,250
September 21, 2024	806,250
March 21, 2025	806,250
Total	**4,031,250**

Pooling agreement

Inclusive of the shares held in escrow, a total of 17,100,000 common shares are subject to a voluntary pooling restriction and will be released, no earlier than 12 months after the listing date, in March 2023.

Heron share payments

On May 2022, the Company exercised its option to acquire a 100% interest in the Heron Project and issued 1,000,000 common shares (the "Option Shares") to complete its remaining obligation under the terms of the agreement. The Option Shares are subject to a 24-month hold period, with 25% being released every three months commencing in August 2023.

Polaris acquisition

On July 5, 2022, the Company acquired 100% of the issued and outstanding securities of Polaris in consideration for the issuance of 4,300,000 common shares of the Company. The shares are subject to a 24-month hold period, with 25% of the common shares being released every six months, commencing January 4, 2023. As at January 31, 2023, 1,075,000 common shares have been released. As at January 31, 2023, the remaining balance of common shares is 3,225,000.

9. RELATED PARTY DISCLOSURES

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the three months ended January 31, 2023, the Company incurred management fees of $15,000 to the CEO (2022 - $nil), and $11,250 to the CFO (2022 - $nil).

During the three months ended January 31, 2023, the Company recorded share-based compensation of $20,609 to the CEO (2022 - $nil), $16,869 to the CFO (2022 - $nil), and $29,723 to directors (2022 - $nil) related to the vesting of stock options granted to the key management personnel.

(Unaudited - Expressed in Canadian dollars)

9. RELATED PARTY DISCLOSURES (continued)

A summary of the Company's related party transactions with key management is as follows:

	Three months ended January 31,	
	2023	2022
	$	$
Management fees	**26,250**	-
Share-based compensation	**67,201**	-
	93,451	-

As at January 31, 2023, included in accounts payable and accrued liabilities is $32,252 owing to directors and officers (October 31, 2022 - $19,661).

10. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support current operations comprising the acquisition and development of its exploration and evaluation assets. The Company obtains funding primarily through issuing common stock. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the three months ended January 31, 2023. The Company is not subject to externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at January 31, 2023, the fair value of the financial instruments cash and accounts payable and accrued liabilities are classified and measured at amortized cost. The carrying value of cash and accounts payable and accrued liabilities approximate the fair value due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company has minimal exposure of credit risk on its cash as the Company's cash is held with major Canadian financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed. The liquidity risk is associated with accounts payable and accrued liabilities.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. The Company holds its cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market interest rates do not have a significant impact on the estimated fair value of the Company's cash balance as at January 31, 2023. The Company does not have any financial assets subject to changes in exchange rates so does not expect exchange rates to have a material impact to the Company.

12. SUBSEQUENT EVENTS

On February 2, 2023, the Company received $4,725 from the exercise of 31,500 warrants with an exercise price of $0.15 per warrant.

On March 21, 2023, 806,250 shares were released from escrow. As a result, the remaining balance of Escrowed Shares is 3,225,000. Additionally, 17,100,000 shares subject to the voluntary pooling restrictions were released.