TORR METALS INC.

Financial Statements

For the years ended April 30, 2023 and 2022

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Torr Metals Inc.

Opinion

We have audited the financial statements of Torr Metals Inc. (the "Company"), which comprise the statement of financial position as at April 30, 2023 and 2022, and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements, which indicates that the Company incurred a net loss in the past and currently has an accumulated deficit of $1,045,591. As stated in Note 1, these events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended April 30, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described above to the only key audit matter to be communicated in our report.

Other Information

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

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

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Nick Miseros.

MS Partners LLP

MS Partners LLP
Licensed Public Accountants
Toronto, Ontario
August 28, 2023

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(Expressed in Canadian Dollars)

As at	April 30, 2023	April 30, 2022
ASSETS		
Current		
Cash (note 7)	**$ 2,235,989**	$ 3,148,590
Accounts receivable (note 7)	**867**	867
Goods and services tax receivable	**12,344**	50,912
Prepaids and deposits	**27,769**	7,000
	2,276,969	3,207,369
Non-current		
Reclamation bond	**12,366**	-
Exploration and evaluation properties (note 4, 5)	**6,790,031**	5,065,332
TOTAL ASSETS	**$ 9,079,366**	$ 8,272,701
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	**$ 30,846**	$ 113,191
Deferred flow-through premium liability (note 6a)	**390,320**	118,209
TOTAL LIABILITIES	**421,166**	231,400
SHAREHOLDER'S EQUITY		
Share capital (note 6a)	**9,164,091**	8,441,267
Option and warrant reserve (note 6b)	**539,700**	560,558
Accumulated deficit	**(1,045,591)**	(960,524)
TOTAL EQUITY	**8,658,200**	8,041,301
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**$ 9,079,366**	$ 8,272,701

Nature of operations and going concern (note 1)

Approved by the Board of Directors on August 28, 2023

Director (signed by) *"Malcolm Dorsey"*

Director (signed by) *"John Williamson"*

The accompanying notes form an integral part of these financial statements.

TORR METALS INC.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended	April 30, 2023	April 30, 2022
Expenses		
Advertising and promotion	**$ 276,962**	$ 61,850
Management fees (note 8)	**58,500**	31,667
Office and administration	**74,431**	43,101
Professional fees	**84,199**	121,711
Regulatory and filing fees	**17,857**	34,799
Total expenses	**(511,949)**	(293,128)
Other income (expenses)		
Interest income	**104,135**	11,344
Settlement of flow-through liability (note 6a)	**301,889**	25,948
Share based compensation	-	(483,000)
Comprehensive loss for the year	**$ (105,925)**	$ (738,836)
Basic and diluted loss per common share	**$ (0.00)**	$ (0.05)
Basic and diluted weighted average number of common shares outstanding	**35,829,920**	16,036,073

The accompanying notes form an integral part of these financial statements.

(Expressed in Canadian Dollars)

	Number of shares	Share capital	Option and warrant reserve	Accumulated deficit	Total shareholder's equity
Balance at April 30, 2021	**4,333,466**	**$ 394,302**	**$ 70,200**	**$ (221,688)**	**$ 242,814**
Shares issued for cash (note 6a)	4,805,241	1,585,730	-	-	1,585,730
Shares issued for exploration and evaluation assets	22,506,867	6,752,060	-	-	6,752,060
Share issuance costs	-	(166,310)	-	-	(166,310)
Share issuance costs – non-cash	-	(20,858)	20,858	-	-
Share based compensation	-	-	483,000	-	483,000
Deferred flow-through premium liability	-	(144,157)	-	-	(144,157)
Warrants exercised	185,720	40,500	(13,500)	-	27,000
Net loss	-	-	-	(738,836)	(738,836)
Balance at April 30, 2022	**31,831,294**	**$ 8,441,267**	**$ 560,558**	**$ (960,524)**	**$ 8,041,301**
Shares issued for cash (note 6a)	4,100,000	1,353,000	-	-	1,353,000
Share issuance costs (note 6a)	-	(56,176)	-	-	(56,176)
Deferred flow-through premium liability	-	(574,000)	-	-	(574,000)
Cancellation of expired broker warrants	-	-	(20,858)	20,858	-
Net loss	-	-	-	(105,925)	(105,925)
Balance at April 30, 2023	**35,931,294**	**$ 9,164,091**	**$ 539,700**	**$(1,045,591)**	**$ 8,658,200**

The accompanying notes form an integral part of these financial statements.

(Expressed in Canadian Dollars)

For the years ended	April 30, 2023	April 30, 2022
Cash provided by (used in):		
Operating activities		
Net loss for the year	**$ (105,925)**	$ (738,836)
Items not affecting cash:		
Settlement of deferred flow-through premium liability	**(301,889)**	(25,948)
Share based compensation	-	483,000
	(407,814)	(281,784)
Changes in non-cash working capital:		
Goods and services tax receivable	**38,568**	(50,278)
Accounts receivable and prepayments	**(20,769)**	12,133
Accounts payable and accrued liabilities	**(87,521)**	5,248
Cash used in operating activities	**(477,536)**	(314,681)
Investing activities		
Cash acquired on acquisition (note 4)	-	2,618,289
Exploration and evaluation property acquisition expenditures (note 5)	**(299)**	(404,210)
Exploration and evaluation property exploration expenditures (note 5)	**(1,719,224)**	(453,854)
Purchase of reclamation bond	**(12,366)**	-
Cash used in by investing activities	**(1,731,889)**	1,760,225
Financing activities		
Proceeds from private placements (note 6a)	**1,353,000**	1,585,731
Proceeds from warrant exercises	-	27,000
Share issuance costs	**(56,176)**	(166,310)
Cash provided by financing activities	**1,296,824**	1,446,421
Net increase (decrease) in cash	**(912,601)**	2,891,965
Cash, beginning of year	**3,148,590**	256,625
Cash, end of year	**$ 2,235,989**	$ 3,148,590

As at April 30, 2023, $298 (2022 - $nil) exploration and evaluation property acquisition and $4,878 (2022 - $nil) exploration and evaluation property expenditures are included in accounts payable and accrued liabilities.

The accompanying notes form an integral part of these financial statements.

1. Nature of operations and going concern

Torr Metals Inc. ("Torr" or the "Company") was incorporated under the Business Corporations Act (Alberta) on July 18, 2018 and continued its corporate existence from Alberta to British Columbia under the British Columbia Business Corporation Act. On November 26, 2021, the Company completed its Qualifying Transaction ("QT") pursuant to the policies of the TSX Venture Exchange ("TSXV") to acquire an aggregate 100% interest in the Latham Copper-Gold Project in northern British Columbia. Concurrent with the QT, the Company changed its name from Duro Metals Inc. to Torr Metals Inc. and now trades under the symbol "TMET" on the TSXV.

On April 30, 2022, the Company completed a vertical short-form amalgamation pursuant to the Business Corporations Act with its wholly owned subsidiary 1306043 B.C. Ltd. ("130"). Pursuant to the Amalgamation, the resulting amalgamated company has adopted the name "Torr Metals Inc.", maintained the same Articles and management as the Company, issued no securities, the symbol "TMET" and the CUSIP remains the same.

The Company's principal business is to explore and develop the Latham Copper-Gold Project in northern British Columbia. The Company's head office is at Suite 780, 1111 West Hastings Street, Vancouver, BC, V6E 2J3.

While these financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations for the foreseeable future, there are significant uncertainties related to certain adverse conditions and events that may cast doubt on the validity of this assumption. As at April 30, 2023, the Company had working capital of $1,855,803 (April 30, 2022 - $2,975,969) and an accumulated deficit of $1,045,591 (April 30, 2022 – $960,524). The Company anticipates that its cash resources will be sufficient to cover its projected funding requirements for the ensuing year. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. Basis of presentation

Statement of compliance with International Financial Reporting Standards

These financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were authorized for issue by the Board of Directors of the Company on August 28, 2023.

These financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and presentation currency of the Company.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

a) Management estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates.

The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.
The areas which require management to make significant estimates, judgments and assumptions in determining carrying values relate to, but are not limited to, the following:

i) The evaluation of the Company's ability to continue as a going concern; and
ii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets, impairment of non-financial assets and share based compensation are probable in determining whether or not to recognize these deferred tax assets.

b) Cash

Cash is comprised of cash on hand and cash on deposit with the Company's financial institution on which it earns variable amounts of interest.

c) Financial instruments

Financial instruments are accounted for in accordance with IFRS 9, "Financial Instruments: Classification and Measurement".

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	**IFRS 9 Classification**
Cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable	Amortized cost

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable are classified under other financial liabilities and carried on the statement of financial position at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Fair value

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

d) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting loss or taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

e) Loss per share

Loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments. In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company’s common shares for the period will be dilutive.

f) Flow-through shares

The Company may, from time to time, issue flow-through shares to finance a portion of its Canadian exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date to the extent that a premium exists. The equity portion is measured at the market value and the residual premium is allocated as a liability. The liability is recorded at the fair value of the obligation to renounce the expenditures that the issuer has incurred. This is effectively the “premium” the investor attributes to a flow-through share versus an ordinary share.

When the expenditures are renounced, the Company reduces the deferred flow-through liability and records a recovery on settlement of flow-through liability. Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense.

Flow-through shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

g) Leases

IFRS 16 Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.
Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life. Recent accounting pronouncements

h) Recent accounting pronouncements

<u>New accounting standards effective March 1, 2022</u>

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. – costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022. These amendments did not have a material impact on the Company's financial statements.

<u>New accounting standards issued but not yet effective</u>

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after March 1, 2023, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not anticipate any material changes to the financial statements upon adoption of these new revised accounting pronouncements.

New accounting standards effective March 1, 2023

IAS 1, Presentation of Financial Statements ("IAS 1") - Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to IAS 1. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted The Company is still assessing the impact of adopting these amendments on its financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2, Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policies disclosures that are more useful by replacing the requirement for entities to disclose "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to IFRS Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The amendments are not expected to have a material impact on the Company’s financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") - Definition of Accounting Estimates

In February 2021, the IASB amendments to IAS 8. The amendment will require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarifies how to distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company has determined that adoption of these amendments has no significant effect on the Company's financial statements

IAS 12, Income Taxes ("IAS 12") - Deferred Tax related to Assets and Liabilities Arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12. The amendment narrows the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal taxable and deductible temporary differences. As a result, companies will need to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition of transactions such as leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. The Company has determined that adoption of these amendments has no significant effect on the Company's financial statements.

There are no other IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

(Expressed in Canadian Dollars)

4. Acquisition of 1306043 BC Ltd.

On November 26, 2021, the Company executed an amalgamation agreement (the "Agreement") with 1306043 BC Ltd. ("130 BC") which provided for the transfer all of 130 BC's issued and outstanding shares to Torr, in exchange for the issuance of 22,106,867 common shares of Torr and 2.0% net smelter returns royalty from any production of the Dalvenie Property. As a result of this transaction, 130 BC. became a wholly owned subsidiary and Torr acquired a 100% interest in the Dalvenie and Hu Properties.

Due to the fact that the 130 BC is an exploration stage, with no significant operations, no processes or outputs, and no demonstrated technical feasibility or commercial viability of the project. Consequently, the Company has accounted for its acquisition of 130 BC as an asset acquisition, whereby acquired assets and liabilities assumed are measured at their fair values at the acquisition date unless they are not readily measurable, in which case the fair value of the share-based payments and other consideration is used. No goodwill is recognized; and acquisition-related costs are capitalized to the assets.

The amounts shown below represent relative fair value of net assets on the effective date of the Agreement, which was November 26, 2021.

Purchase consideration:	
Shares issued in exchange for 130 BC Shares (i)	$ 6,632,060
Warrants issued in exchange for 130 BC warrants (ii)	16,393
	$ 6,648,453
Assets acquired:	
Cash	$ 2,732,060
Other current assets	867
Mineral interest - Dalvenie and Hu properties (note 4)	4,049,190
	6,782,117
Less: liabilities assumed:	
Transaction costs	(113,771)
Accounts payable and accrued liabilities	(19,893)
Total Purchase consideration	**$ 6,648,453**

(i) For accounting purposes, the common shares issued were recorded at $0.30 per common share, representing the Company's share price on the date of issuance.

(ii) The Company issued warrants in exchange for 130 BC warrants with an estimated fair value of $16,393 (note 5).

Subsequent to the acquisition, the Company amalgamated with 1306043 BC Ltd. on April 30, 2022 (note 1).

5. Exploration and evaluation properties

On November 26, 2021, the Company completed its Qualifying Transaction (the “QT”) by acquiring the British Columbia mineral claims known as the Hu Property and Dalvenie Property, by way of an acquisition transaction of 1306043 BC Ltd. (note 3). Immediately after the acquisition, the Company acquired mineral claims known as the Gnat claims. Together, the consolidated Gnat Claims, Hu Property and Dalvenie Property are now known as the Latham Copper-Gold Project, a mineral exploration property comprised of 41 mineral claims totaling 49,694 hectares in northern British Columbia.

To acquire the Dalvenie and Hu claims the Company acquired 1306043 BC Ltd., by issuing 22,106,867 shares in a share exchange (note 4).

To acquire the Gnat claims, the Company paid $100,000 cash to the vendor and issued 400,000 common shares of the Company at a deemed price of $0.30 per share for a total consideration of $220,000. The vendor retains a 2% net smelter royalty.

Crown Grants Acquisition

On April 12, 2022, the Company acquired 13 undersurface crown grants for total cash consideration of $25,000 plus the cost of transferring the title of the undersurface Crown Grants to the Company. No finder's fees were paid in connection with the Acquisition.

(Expressed in Canadian Dollars)

Total costs incurred by the Company on the Latham property are summarized as follows:

	Acquisition	Exploration	Total
Balance, April 30, 2021	**$ -**	**$ -**	**$ -**
Acquisition costs	4,425,465	-	4,425,465
Assay and analysis	-	174,463	174,463
Fieldwork supplies	-	18,940	18,940
General and administrative	-	6,044	6,044
Geological consulting	133,750	159,952	293,702
Engineering consulting	-	15,575	15,575
Permits	-	16,121	16,121
Rentals	-	29,565	29,565
Staking	52,263	-	52,263
Travel and support	-	33,194	33,194
Balance, April 30, 2022	**$ 4,611,478**	**$ 453,854**	**$ 5,065,332**
Assay and analysis	-	78,041	78,041
Camp	-	316,633	316,633
Claims and land use	596	-	596
Community relations	-	149,506	149,506
Drilling	-	36,350	36,350
Fieldwork	-	305,197	305,197
Freight	-	10,762	10,762
General and administrative	-	57,658	57,658
Geological consulting	-	380,997	380,997
Rentals	-	181,850	181,850
Subcontractors	-	71,668	71,668
Travel and support	-	135,441	135,441
Balance, April 30, 2023	**$ 4,612,074**	**$ 2,177,957**	**$ 6,790,031**

During the year end April 30, 2023, and 2022, the Company spent $1,719,224 (2022 - $453,854) on mineral property exploration expenditures and $299 (2022 - $404,210) on mineral property acquisition expenditures.

6. Share capital

On November 26, 2021, immediately prior to the QT, the Company consolidated all its issued and outstanding common shares based on one post-consolidation common share for every 1.4538 pre-consolidation common shares. All share data and equity-based instruments have been retroactively adjusted to give effect to the consolidation.

(Expressed in Canadian Dollars)

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

	Number of shares	Amount
Balance at April 30, 2021	**4,333,466**	**$ 394,302**
Shares issued in private placements	4,805,241	1,585,730
Shares issued for property	22,506,867	6,752,060
Share issued upon exercise of warrants	185,720	40,500
Share issuance costs	-	(166,310)
Share issuance costs – non-cash	-	(20,858)
Flow-through premium liability	-	(144,157)
Balance at April 30, 2022	**31,831,294**	**$ 8,441,267**
Shares issued in private placements	4,100,000	1,353,000
Share issuance cost	-	(56,176)
Flow-through liability	-	(574,000)
Balance at April 30, 2023	**35,931,294**	**$ 9,164,091**

Acquisition and amalgamation of 1306034 B.C. Ltd.

As part of the QT, 1306034 B.C. Ltd. amalgamated with 1334885 B.C. Ltd., and continued as an amalgamated wholly-owned subsidiary of the Company. All existing common shares and warrants of both corporations were exchanged for shares of the Company on a one-to-one basis. The Company issued 22,106,867 shares at a deemed price of $0.30 per share to acquire 1306043 BC Ltd. for total consideration of $6,632,060.

Flow-through financing

On May 10, 2022, the Company completed a flow-through financing by issuing 4,100,000 post-consolidated flow through shares at a price of $0.33 per share for gross proceeds $1,353,000 and recognized a deferred flow-through premium of $574,000 as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. As at April 30, 2023, the Company has incurred $428,510 of eligible exploration expenditures relating to these flow-through shares. As a result, the amount of $183,680 in connection with the settlement of the flow-through liability was recognized in other income. No finders fees were paid in connection with the financing.

On November 26, 2021, immediately following the amalgamation, the Company completed a flow-through financing by issuing 4,805,241 post-consolidated flow through shares at a price of $0.33 per share for gross proceeds $1,585,730 and recognized a deferred flow-through premium of $144,157 as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. As at April 30, 2023, the Company has incurred all eligible exploration expenditures relating to these flow-through shares. As a result, the amount of $144,157 in connection with the settlement of the flow-through liability was recognized in other income. The Company paid finders fees in the amount of $114,029 in connection with the flow-through financing.

(Expressed in Canadian Dollars)

Acquisition of Gnat claims

On November 26, 2021, the Company acquired the Gnat claims, by issuing 400,000 common shares of the Company and a $100,000 cash payment. The vendor retains a 2% net smelter royalty.

Escrowed Common Shares

Pursuant to the closings of the Company's initial public offering ("IPO") and Qualifying Transaction, 2,242,395 of the Company's outstanding common shares are subject to a CPC Escrow Agreement and 12,666,667 are subject to a Tier 2 Value Security Escrow Agreement. Under these agreements, 10% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of the date of these financial statements, 8,945,437 common shares remained in escrow.

b) Warrants

The Following is a summary of the changes in the Company's warrants during the years:

	Number of Warrants	Weighted average exercise price
Outstanding warrants, April 30, 2021	**185,720**	**$ 0.15**
Issued	5,415,378	0.43
Exercised	(185,720)	0.15
Outstanding warrants, April 30, 2022	**5,415,378**	**$ 0.43**
Expired	(695,278)	0.31
Outstanding warrants, April 30, 2023	**4,720,100**	**$ 0.45**

A summary of the warrants outstanding and exercisable is as follows:

April 30, 2023 Exercise Price	Number of warrants	Remaining contractual life (years)	April 30, 2022 Exercise Price	Number of warrants	Remaining contractual life (years)	
$ 0.45	4,720,100	0.6	$ 0.45	4,720,100	1.6	i
-	-	-	0.33	148,852	0.6	ii
-	-	-	0.30	546,426	0.6	iii
$ 0.45	**4,720,100**	**0.6**	**$ 0.43**	**5,415,378**	**1.5**	

i On November 26, 2021, as part of the QT, the Company acquired 4,720,100 warrants from 1306043 BC Ltd.

(Expressed in Canadian Dollars)

ii On November 26, 2021, the Company issued 148,852 warrants to agents pursuant to the flow-through private placement as compensation for services provided by the agents. The estimated fair value of the agents' warrants of $4,465, or $0.03 per agents' warrant, has been recorded as a decrease to share capital as a cost of share issuance and an increase to option and warrant reserve, and was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price $0.33; expected life, 1 year; expected volatility, 24%; risk free rate, 0.93%; expected dividends, 0%.

iii On November 26, 2021, the Company acquired 546,426 warrants from 1306043 BC Ltd. with an estimated fair value of the agents' warrants of $16,393, or $0.03 per agents' warrant, has been recorded as a decrease to share capital as a cost of share issuance and an increase to option and warrant reserve, and was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price $0.30; expected life, 1 year; expected volatility, 24%; risk free rate, 0.93%; expected dividends, 0%.

c) Stock options

The Company has a stock option plan (the "Plan") for directors, officers, employees, and consultants. The Plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company.

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

	Number of Warrants	Weighted average exercise price
Outstanding options, April 30, 2021	**433,250**	**$ 0.18**
Issued	2,300,000	0.30
Outstanding options, April 30, 2022 and April 30, 2023	**2,733,250**	**$ 0.28**

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

Exercise Price	Number of options	April 30, 2023 Remaining contractual life (years)	Exercise Price	Number of options	April 30, 2022 Remaining contractual life (years)	
$ 0.18	433,250	1.9	$ 0.18	433,250	2.9	
0.30	2,300,000	3.9	0.30	2,300,000	4.9	i
$ 0.28	**2,733,250**	**3.6**	**$ 0.28**	**2,733,250**	**4.6**	

i The fair value of stock options granted in the year ended April 30, 2022 was estimated based on the Black-Scholes option pricing model using a share price of $0.21, volatility of 90%, risk free interest rate of 1.70%, expected life of 5 years, and expected dividend yield of nil. The estimated fair value of the stock options of $483,000 has been recognized as the share-based compensation during the year ended April 30, 2022.

7. Financial instruments and risk management

Fair value of financial instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities,
- Level 2 - 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 - Inputs for the asset or liability that are not based on observable market data.

The Company's cash are classified as Level 1, whereas accounts receivable, and accounts payable and accrued liabilities are classified as Level 2. As at April 30, 2023, the Company believes that the carrying values of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

<u>Credit risk</u>

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

<u>Liquidity risk</u>

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at April 30, 2023, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

<u>Foreign currency risk</u>

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

(Expressed in Canadian Dollars)

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

8. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the years ended	April 30, 2023	April 30, 2022
Management fees paid to key management and directors	**$ 58,500**	$ 31,667
Capitalized consulting fees paid to key management	**96,000**	50,817
Investor relations fees paid to a director	**132,000**	55,000
Rent fees paid to a corporation controlled by key management	**40,200**	23,750
	$ 326,700	$ 161,234

At April 30, 2023, accounts payable and accrued liabilities include $2,625 (2022 - $2,112) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment. All amounts have been subsequently paid.

9. Income taxes

For the years ended	April 30, 2023	April 30, 2022
Loss before income taxes	$ 105,925	$ 738,836
Statutory rate	27%	27%
Expected income tax recovery at statutory tax rates	28,600	199,486
Permanent difference	81,510	-
Non-deductible items	-	(117,536)
Change in unrecognized deductible temporary differences	(110,110)	(81,950)
Total deferred tax recovery	$ -	$ -

Significant components of the Company's temporary differences and unused tax losses include losses available for future periods of approximately $854,814 expiring in 2043.