

BELMONT RESOURCES INC.

Consolidated Financial Statements

Years ended January 31, 2023 and 2022

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Belmont Resources Inc.:

Opinion

We have audited the consolidated financial statements of Belmont Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 to the financial statements, which describes events or conditions that 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 matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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Other Information

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

Our opinion on the 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 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 International Financial Reporting Standards, 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.
- 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.

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

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

A handwritten signature in black ink, appearing to read "DMCL.", is positioned above the firm's name.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 31, 2023

BELMONT RESOURCES INC.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes	January 31, 2023	January 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	\$	145,219	\$ 379,527
Marketable securities	3	115,162	239,560
Receivables		5,543	12,749
Prepaid expense		5,502	8,044
		271,426	639,880
Non-current assets			
Property and equipment	4	12,014	15,193
Exploration and evaluation assets	5	2,293,015	1,917,232
Reclamation bond	5	97,954	97,954
		2,402,983	2,030,379
TOTAL ASSETS		\$ 2,674,409	\$ 2,670,259
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	\$ 256,423	\$ 309,522
Due to related parties	9	90,000	111,500
Flow-through share premium liability	7	-	26,605
		346,423	447,627
TOTAL LIABILITIES		346,423	447,627
SHAREHOLDERS' EQUITY			
Share capital	8	25,361,273	24,634,307
Reserves	8	1,532,275	1,617,941
Deficit		(24,565,562)	(24,029,616)
TOTAL SHAREHOLDERS' EQUITY		2,327,986	2,222,632
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 2,674,409	\$ 2,670,259

Nature and continuance of operations (Note 1)

Commitments (Note 5)

Subsequent events (Note 5, 13)

Approved on Behalf of the Board:

"George Sookchoff"

Director

"Gary Musil"

Director

See accompanying notes to the consolidated financial statements.

BELMONT RESOURCES INC.Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	Years ended	
		January 31, 2023	January 31, 2022
Expenses			
Amortization	4	\$ 3,179	\$ 3,055
Bad debt expense		2,703	82,842
Consulting fees	9	58,345	41,440
Legal and audit		111,869	62,879
Office and miscellaneous		8,759	9,328
Property costs		1,102	3,530
Regulatory fees		19,092	23,510
Rent		18,060	18,000
Salaries and administration services	9	194,551	195,312
Shareholder relations		19,623	6,882
Stock based payments	8, 9		
Directors		56,395	93,660
Consultants		29,527	4,590
Telephone and internet		1,347	3,573
Transfer agent fees		7,007	11,686
Travel and promotion		35,605	39,824
		(567,164)	(600,111)
Other items			
Impairment of exploration and evaluation assets	5	(116,519)	-
Foreign exchange gain (loss)		(10,516)	3,735
Loss on disposition of equipment		-	(284)
Gain on option payments received	5	131,648	163,250
Gain (loss) on sale of marketable securities	3	-	225
Recovery of flow-through premium liability	7	26,605	105,230
Net loss for the year		(535,946)	(327,955)
Other comprehensive income			
Change in fair value on equity investments designated as FVTOCI	3	(161,512)	(24,248)
Total comprehensive loss		\$ (697,458)	\$ (352,203)
Loss per share – basic and diluted		\$ (0.01)	\$ (0.01)
Weighted average number of shares		63,883,272	47,718,009

See accompanying notes to the consolidated financial statements.

BELMONT RESOURCES INC.Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)

	Share capital		Reserves			Deficit	Total
	Number of shares	Amount	Stock-based reserve	Revaluation of financial assets			
Balance at February 1, 2021	41,932,155	\$ 23,952,749	\$ 1,630,480	\$ (9,864)	\$ (23,701,661)	\$ 1,871,704	
Loss for the year	-	-	-	-	(327,955)	(327,955)	
Other comprehensive loss	-	-	-	(24,248)	-	(24,248)	
Total comprehensive loss	-	-	-	(24,248)	(327,955)	(352,203)	
Shares issued for cash							
- Private placement (units)	4,393,450	266,720	-	-	-	266,720	
- Options	1,275,000	161,955	(81,205)	-	-	80,750	
- Warrants	3,125,000	166,750	-	-	-	166,750	
Share issue costs	-	(31,304)	4,528	-	-	(26,776)	
Shares issued to acquire exploration and evaluation asset	1,319,167	87,437	-	-	-	87,437	
Shares issued for finder's fee for earn-in agreement	500,000	30,000	-	-	-	30,000	
Stock based payment	-	-	98,250	-	-	98,250	
	10,612,617	681,558	21,573	-	-	703,131	
Balance at January 31, 2022	52,544,772	\$ 24,634,307	\$ 1,652,053	\$ (34,112)	\$ (24,029,616)	\$ 2,222,632	
Balance at February 1, 2022	52,544,772	\$ 24,634,307	\$ 1,652,053	(34,112)	\$ (24,029,616)	\$ 2,222,632	
Loss for the year	-	-	-	-	(535,946)	(535,946)	
Other comprehensive loss	-	-	-	(161,512)	-	(161,512)	
Total comprehensive loss	-	-	-	(161,512)	(535,946)	(697,458)	
Shares issued for cash							
- private placement (units)	7,470,000	522,900	-	-	-	522,900	
- options	125,000	12,823	(5,323)	-	-	7,500	
- warrants	2,943,500	153,957	(6,782)	-	-	147,175	
Share issue costs	-	(14,214)	2,029	-	-	(12,185)	
Shares issued to acquire exploration and evaluation assets	800,000	51,500	-	-	-	51,500	
Stock based payment	-	-	85,922	-	-	85,922	
	11,338,500	726,966	75,846	-	-	802,812	
Balance at January 31, 2023	63,883,272	\$ 25,361,273	\$ 1,727,899	(195,624)	\$ (24,565,562)	\$ 2,327,986	

See accompanying notes to the consolidated financial statements.

BELMONT RESOURCES INC.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Years ended	
	January 31, 2023	January 31, 2022
Operating activities:		
Net loss for the year:	\$ (535,946)	\$ (327,955)
Adjustments for non-cash items:		
Amortization	3,179	3,055
Foreign exchange loss (gain)	10,516	(3,335)
Gain on option payments received	(131,648)	(163,250)
Impairment of exploration and evaluation asset	116,519	-
Loss on disposal of equipment	-	284
Reversal of flow-through share premium liability	(26,605)	(105,230)
Realized gain on sale of marketable securities	-	(225)
Bad debt expense	2,703	82,842
Stock based payments	85,922	98,250
Changes in non-cash items:		
Receivables	7,206	30,062
Prepaid expenses	2,542	(6,111)
Trade payables and accrued liabilities	(53,440)	173,097
Due to related parties	(24,203)	(20,499)
Net cash flows used in operating activities	(543,255)	(239,015)
Investing Activities		
Expenditures on exploration and evaluation assets	(657,824)	(550,278)
Option payments received in cash	210,170	215,000
Reclamation bond	-	(18,500)
Proceeds from disposal of marketable securities	84,240	402
Disposal of equipment	-	(1,426)
Net cash flows used in investing activities	(363,414)	(354,802)
Financing activities		
Shares issued for cash	677,575	555,042
Share issuance costs - cash	(12,185)	(26,776)
Net cash flows provided by financing activities	665,390	528,266
Effect of exchange rate on cash	6,971	3,492
Decrease in cash	(234,308)	(62,059)
Cash, beginning	379,527	441,586
Cash, ending	\$ 145,219	\$ 379,527

Non-cash transactions (Note 11)

See accompanying notes to the consolidated financial statements.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

1. Nature and continuance of operations

Belmont Resources Inc. (the "Company") was incorporated on January 18, 1978 under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada and the USA. The Company's shares are traded on the TSX Venture Exchange ("Exchange") under the symbol "BEA".

The corporate head office and principal place of business of the Company is 800 West Pender Street, Suite 615, Vancouver, British Columbia, Canada, V6C 2V6.

Going concern

The consolidated financial statements have been prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned significant revenue and has an accumulated deficit of \$24,565,562. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and/or achieve profitable operations in the future. The Company's financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations. Management will pursue funding initiatives if, as and when required to meet the Company's requirements on an ongoing basis. However, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. Significant accounting policies and basis of preparation

These consolidated financial statements were authorized for issue on May 31, 2023 by the Board of Directors.

Basis of presentation and statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Issues Committee ("IFRIC"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

2. Significant accounting policies and basis of preparation (continued)***Basis of measurement***

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Belmont Resources Inc. and its wholly-owned subsidiaries, Belmont Nevada Inc. and BGP Resources Inc. A subsidiary is an entity which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. A subsidiary is fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases.

The subsidiaries of the Company are as follows:

Name of Subsidiary	Place of Incorporation	Functional Currency	Ownership Interest	
			January 31, 2023	January 31, 2022
Belmont Nevada Inc.	USA	US dollar	100%	100%
BGP Resources Inc.	USA	US dollar	100%	N/A

All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. The functional currency of the Company's subsidiaries are noted above and the financial statement balances and transactions of the subsidiary are measured using that functional currency.

Significant estimates and assumptions

The preparation of these consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, the recoverability of amounts due from related party, the recoverability and measurement of deferred tax assets, and the provisions for restoration and environmental obligations.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

2. Significant accounting policies and basis of preparation (continued)***Significant judgments***

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include:

- the assessment of whether there are indicators of impairment of the Company's exploration and evaluation assets
- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification and allocation of exploration and evaluation expenditures; and
- the determination of functional currency of the Company and its subsidiaries.

Exploration and evaluation assets

Exploration and evaluation assets are composed of exploration and evaluation expenditures which include the costs of acquiring rights or licenses for exploration, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore a mineral property are expensed as incurred.

Government tax credits received are recorded as a reduction to the cumulative costs incurred on the related property.

Amounts received from other parties to earn an interest in the Company's exploration and evaluation assets are applied as a reduction of the mineral property and deferred exploration and development costs until all capitalized costs are recovered at which time additional reimbursements are recorded in the consolidated statement of loss and comprehensive loss, except for administrative reimbursements which are credited to operations.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain mineral claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral claims. The Company has investigated title to all of its mineral claims and, to the best of its knowledge, title to all of its claims are in good standing.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

2. Significant accounting policies and basis of preparation (continued)***Stock based payments***

The Company grants stock options to purchase common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. When the stock options are forfeited or expire, the amount previously recognized in the reserve is transferred to deficit.

In situations where stock options are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at fair value of the stock based payments. Otherwise, they are measured at the fair value of goods or services received.

Financial instruments

The Company's financial instruments are classified as follows:

Financial asset/liability	Classification per IFRS 9
Cash	Fair value through profit and loss
Receivables	Amortized cost
Marketable securities	Fair value through other comprehensive income
Due from related party	Amortized cost
Reclamation bond	Amortized cost
Trade payables	Amortized cost
Due to related parties	Amortized cost

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.

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.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

2. Significant accounting policies and basis of preparation (continued)***Financial instruments (continued)*****Impairment of financial assets (continued)**

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 year.

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.

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).

Income taxes**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

2. Significant accounting policies and basis of preparation (continued)***Income taxes (continued)*****Deferred tax**

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares

The Company has adopted a policy whereby proceeds from issuance of flow-through shares are allocated between the offering of shares and the sale of tax benefits based on the premium that the investor pays for the shares. A liability is recognized for this difference and is extinguished by crediting other income when the Company has made the required expenditures and there is a reasonable expectation of the renunciation of these expenditures to the tax authorities

Equipment

Equipment is stated at historical cost less accumulated depreciation and impairment charges.

Amortization is calculated at the following annual rates, on the declining balance basis unless otherwise stated:

Computer equipment	30%
Office equipment	20%
Exploration equipment	30%
Building	10 years straight-line

One-half the normal rate is recorded in the year of acquisition.

The Company's equipment is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the asset's recoverable amount is estimated. Impairment losses are recognized in profit or loss. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

The cost of replacing part of a piece of equipment is recognized in the carrying amount of the equipment if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

2. Significant accounting policies and basis of preparation (continued)***Foreign currency translation***

The consolidated financial statements of the Company are prepared in the currency of the primary economic environment in which the Company operates (its functional currency). The functional and presentation currency of the Company is the Canadian dollar.

In preparing the financial statements, transaction in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, necessary items denominated in foreign currencies are retranslated at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments. The proceeds from the issue of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market trading price on the date the units are issued and the balance, if any, is allocated to the attached warrants. Share issue costs are recorded against share proceeds, net of any tax impact. Transaction costs directly attributable to derivative instruments are charged to operations as a finance cost.

Reserves

Equity reserves record items recognized as share-based compensation until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

Leases

At inception of a contract, management assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, the Company recognizes a right-of-use asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

2. Significant accounting policies and basis of preparation (continued)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

During the year ended January 31, 2023, the Company has applied the exemption and did not recognize right-of-use assets and lease liabilities for its short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

Accounting standards issued but not yet effective

The accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. Marketable securities

	January 31, 2023	January 31, 2022
Balance, beginning	\$ 239,560	\$ 3,985
Addition (Note 5)	121,354	260,000
Disposal	(84,240)	(177)
Change in fair value	(161,512)	(24,248)
Balance, ending	\$ 115,162	\$ 239,560

During the year ended January 31, 2023, the Company disposed of certain marketable securities for proceeds of \$84,240.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

4. Property and equipment

	Computer Equipment	Office Equipment	Exploration Equipment	Building	Total
Cost:					
At January 31, 2021	\$ 4,054	\$ 17,316	\$ 27,309	\$ 27,507	\$ 76,186
Additions	1,426	-	-	-	1,426
Disposals	(4,054)	(15,412)	-	-	(19,466)
At January 31, 2022	1,426	1,904	27,309	27,507	58,146
At January 31, 2023	\$ 1,426	\$ 1,904	\$ 27,309	\$ 27,507	\$ 58,146
Depreciation:					
At January 31, 2021	\$ 3,883	\$ 17,154	\$ 27,036	\$ 11,006	\$ 59,079
Charge for the year	213	7	83	2,752	3,055
Eliminated on disposal	(3,883)	(15,298)	-	-	(19,181)
At January 31, 2022	213	1,863	27,119	13,758	42,953
Charge for the year	364	8	56	2,751	3,179
At January 31, 2023	\$ 577	\$ 1,871	\$ 27,175	\$ 16,509	\$ 46,132
Net book value:					
At January 31, 2022	\$ 1,213	\$ 41	\$ 190	\$ 13,749	\$ 15,193
At January 31, 2023	\$ 849	\$ 33	\$ 134	\$ 10,998	\$ 12,014

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

5. Exploration and evaluation assets

	USA		Canada				
	Kibby Basin Nevada	Lone Star Washington	Pathfinder BC	Athelstan Group BC	Come by Chance BC	Pride of the West/ Black Bear BC	Total
Property acquisition costs							
Balance, January 31, 2022	\$ 440,581	\$ -	\$ 103,893	\$ 133,211	\$ 25,500	\$ 71,500	\$ 774,685
Additions							
Cash payments	-	97,500	-	-	-	-	97,500
Claim fees and staking costs	42,942	-	-	-	-	-	42,942
Payments with common shares	-	30,000	-	-	21,500	-	51,500
Balance, January 31, 2023	483,523	127,500	103,893	133,211	47,000	71,500	966,627
Exploration and evaluation costs							
Balance, January 31, 2022	506,821	-	7,321	512,679	113,701	2,025	1,142,547
Costs incurred during year:							
Assays and testing	-	-	-	-	53,907	-	53,907
Drilling	-	-	-	-	356,429	-	356,429
Geological consulting	653	-	-	255	57,764	-	58,672
Camp office & accommodation	-	-	-	-	25,815	-	25,815
Licenses, fees, and taxes	-	-	-	305	-	51	356
Reports and administration	-	-	-	-	5,056	-	5,056
	653	-	-	560	498,971	51	500,235
Other:							
Option payment received in cash	-	(200,170)	(10,000)	-	-	-	(210,170)
Option payments received in marketable securities	(62,376)	(58,978)	-	-	-	-	(121,354)
Excess recovery reclassified to other income	-	131,648	-	-	-	-	131,648
Writedown on impairment	(42,942)	-	-	-	-	(73,576)	(116,518)
Balance, January 31, 2023	402,156	(127,500)	(2,679)	513,239	612,672	(71,500)	1,326,388
Total	\$ 885,679	\$ -	\$ 101,214	\$ 646,450	\$ 659,672	\$ -	\$ 2,293,015

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

	USA		Canada					
	Kibby Basin Nevada	Lone Star Washington	Pathfinder BC	Athelstan Group BC	Come by Chance BC	Pride of the West/ Black Bear BC	Crackingstone SK	Total
Property acquisition costs								
Balance, January 31, 2021	\$ 362,129	\$ -	\$ 103,893	\$ 57,064	\$ 12,500	\$ 71,500	\$ -	\$ 607,086
Additions								
Cash payments	-	31,750	-	31,710	-	-	-	63,460
Claim fees and staking costs	78,452	-	-	-	-	-	-	78,452
Payments with common shares	-	30,000	-	44,437	13,000	-	-	87,437
Balance, January 31, 2022	440,581	61,750	103,893	133,211	25,500	71,500	-	836,435
Exploration and evaluation costs								
Balance, January 31, 2021	718,261	-	12,321	140,786	34,132	25	-	905,525
Costs incurred during year:								
Assays and testing	-	-	-	43,624	2,801	-	-	46,425
Drilling	-	-	-	297,758	-	-	-	297,758
Geological consulting	3,049	-	-	22,335	7,528	-	-	32,912
Magnetic survey	-	-	-	-	64,010	-	-	64,010
Camp office & accommodation	511	-	-	7,879	2,230	-	-	10,620
Licenses, fees, and taxes	-	-	-	297	-	2,000	-	2,297
Reports and administration	-	-	-	-	3,000	-	-	3,000
	3,560	-	-	371,893	79,569	2,000	-	457,022
Other:								
Option payment received in cash	(100,000)	(100,000)	(5,000)	-	-	-	(10,000)	(215,000)
Option payments received in marketable securities	(130,000)	(130,000)	-	-	-	-	-	(260,000)
Finder's fee paid in common shares	15,000	15,000	-	-	-	-	-	30,000
Excess recovery reclassified to other income	-	153,250	-	-	-	-	10,000	163,250
Balance, January 31, 2022	506,821	(61,750)	7,321	512,679	113,701	2,025	-	1,080,797
Total	\$ 947,402	\$ -	\$ 111,214	\$ 645,890	\$ 139,201	\$ 73,525	\$ -	\$ 1,917,232

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

5. Exploration and evaluation assets (continued)**a) Kibby Basin Property**

On March 29, 2016, the Company entered into a property purchase agreement with Zimtu Capital Corp. ("Zimtu") to acquire 100% interest of the Kibby Basin Property, comprised of 16 mineral claims located in the north of Clayton Valley, Nevada, USA. Pursuant to the agreement, the Company paid a sum of \$25,000 and issued 1,000,000 common shares to Zimtu for the acquisition.

The property is subject to a 1.5% net smelter returns ("NSR") of which the Company has the right to purchase half of the NSR from Zimtu at any time for \$1,000,000. As at January 31, 2023, a reclamation bond of \$65,454 (January 31, 2022 - \$65,454) was held in trust for the Company at the Nevada Bureau of Land Management.

On November 1, 2021, the Company entered into an Earn-In Agreement with Marquee Resources Limited ("Marquee"), whereby Marquee would earn up to an 80% interest in the property. Pursuant to the agreement, Marquee has earned the following interest in Kibby Basin Property by:

- a) paying \$100,000 in cash to the Company (*received*) and issuing 1,000,000 shares of Marquee to the Company (*received*) to earn a 10% interest in the property;
- b) issuing 1,000,000 shares of Marquee to the Company (*received*) and expending \$1,000,000 (*incurred*) on the property within 6 months from the date of the agreement to earn an additional 41% interest in the property; and
- c) issuing 1,000,000 shares of Marquee to the Company (*received*) and expending \$1,500,000 (*incurred*) on the property within 15 months from the date of the agreement to earn a further 29% interest in the property.

A finder's fee of 250,000 common shares with a fair value at \$15,000 was paid to a consultant in connection with the agreement.

b) Lone Star Property

On July 26, 2021, the Company entered into a Share Purchase Agreement (the "Agreement") with Advanced Mineral Technology Inc. ("Advanced"), whose wholly-owned subsidiary BGP Resources Inc. ("BGP") holds 100% interest in the mineral right associated with the Lone Star properties (the "Lone Star Property"). Pursuant to the Agreement, the Company has the right to purchase 100% of the issued and common shares of BGP by:

- a) paying USD\$25,000 in cash (*paid*, equivalent to \$31,750) and issuing 500,000 common shares to Advanced (*issued*) upon the acceptance of the agreement by the Exchange;
- b) paying USD\$75,000 in cash (*paid*, equivalent to \$97,500) and issuing another 500,000 common shares of the Company to Advanced upon the first anniversary from the agreement date (*issued*).

The Company acquired 100% interest BGP on July 26, 2022.

The Lone Star Property is subject to an underlying 2.5% NSR owned by a third party.

On November 1, 2021 the Company entered into an Earn-In Agreement with Marquee whereby Marquee would earn up to an 80% interest in the Lone Star Property. Pursuant to the Earn-In Agreement, Marquee can earn the following interest in the property by:

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

5. Exploration and evaluation assets (continued)

b) Lone Star Property (cont'd)

- a) completing the following payments to earn a 10% interest in the property:
 - (i) paying \$100,000 in cash to the Company (*received*);
 - (ii) issuing 1,000,000 shares of Marquee to the Company (*received*);
 - (iii) transferring USD\$75,000 in cash to the Company to be applied solely towards the cash payment to Advanced to complete the acquisition of BGP (*completed*);
 - (iv) transferring USD\$130,000 in cash to the Company to be applied solely towards payments to the original land owners of the Lone Star Property to complete the transfer of ownership of land title (*received and recorded as other payable (Note 6)*);
- b) transferring \$50,000 in cash (*received*) to the Company and expending \$550,000 on the property (*incurred*) within 6 months from the date of the agreement to earn an additional 20% interest in the property;
- c) transferring \$50,000 in cash (*received*) to the Company, issuing additional 1,000,000 shares of Marquee to the Company (*received*) and expending further \$1,000,000 on the property (*incurred*) within 15 months from the date of the agreement to earn an additional 20% interest in the property; and
- d) transferring \$50,000 in cash to the Company, issuing additional 1,000,000 shares of Marquee to the Company and expending further \$1,000,000 on the property within two years from the date of the agreement to earn a further 30% interest in the property.

A finder's fee of 250,000 common shares with a fair value of \$15,000 was paid to a consultant in connection with the agreement.

c) Pathfinder Property

On March 27, 2019 the Company entered into an acquisition agreement with David Heyman and Clive Brookes (the "Vendors") to acquire mineral claims which is part of the former Pathfinder Property located in southern British Columbia, north of Grand Forks in the Greenwood Mining Division.

Pursuant to the acquisition agreement, the Company has made the following payments to the Vendors:

- (a) \$25,000 in cash (\$12,500 to each vendor) (*paid*) on the date of the agreement:
- (b) total 187,500 common shares and 187,500 warrants of the Company (93,750 common shares and 93,750 transferable warrants to each vendor) exercisable at a price of \$0.80 per share for a period of two years from the approval date as follows:
 - (i) issuing 156,250 common shares and 156,250 warrants (78,125 shares and 78,125 warrants to each vendor) on the approval date (*issued*); and
 - (ii) 31,250 common shares and 31,250 warrants (15,625 shares and 15,625 warrants to each vendor) on the one year anniversary of the date of the agreement (*issued*).

In addition, the property is subject to a 1.5% NSR is payable to the Vendors, at 0.75% to each Vendor. The Company may acquire one-half of the NSR for \$1,000,000 upon commencement of commercial production on the property.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

5. Exploration and evaluation assets (continued)

c) Pathfinder Property (continued)

On August 26, 2021 the Company entered into an option agreement with Highrock Resources Ltd. ("Highrock"), a related mineral exploration company with common directors and a common senior officer, to earn up to a 75% interest in the Pathfinder Property. Pursuant to the agreement, Highrock had the right and option to acquire a 51% interest in the property by completing:

- (a) the payment of \$5,000 in cash upon the execution of the agreement (*received*); and
- (b) the issuance of 100,000 shares of Highrock to the Company upon the execution of the agreement (*received*).

Further, Highrock has the right and option to acquire a further 24% in the property by:

- (a) paying \$10,000 in cash to the Company on the first anniversary from the date of the agreement (*received*);
- (b) issuing 100,000 shares of Highrock to the Company on or before six months from the date of the initial listing of the Highrock shares on the Canadian Securities Exchange;
- (c) expend \$75,000 (*completed*) on the property on or before the first anniversary from the date of the agreement; and
- (d) expend \$125,000 on the property on or before first anniversary from the initial listing of the Highrock shares.

d) Athelstan Group Property

On October 29, 2019 the Company entered into an acquisition agreement with David Heyman, Clive Brookes and Zimtu Capital Corp. (the "Vendor Group") to acquire two mineral claims known as the Glenora and Bay Horse claims located in southern British Columbia in the Greenwood Mining Division.

Pursuant to the agreement, the Company agreed to acquire the 100% interest in the property by:

- (a) issuing 420,000 units of the Company to the Vendor Group (*issued*). Each unit is composed of one common share and one transferable warrant exercisable at a price of \$0.08 per share until May 14, 2021, subject to an accelerated exercise clause; and
- (b) issuing 420,000 common shares of the Company to the Vendor Group on the one-year anniversary of the date of the agreement (*issued*).

In addition, the property is subject to a 1.5% NSR is payable to the Vendor Group. The Company may acquire one-half of the NSR for \$500,000 within five years from the commencement of commercial production on the property.

On May 7, 2020, the Company entered into a property acquisition agreement to acquire a 100% interest in the Crown mineral grant claims known as the Athelstan-Jackpot located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to make the following payments:

- (a) 200,000 common shares of the Company upon Exchange approval (*issued*);
- (b) 200,000 additional common shares on the one year anniversary of the agreement date (*issued*);
- (c) USD\$50,000 cash payment on the one year anniversary of the agreement date. The Company had the option to issue common shares for half of the cash payment (USD\$25,000) (*paid and issued*);

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

5. Exploration and evaluation assets (continued)

d) Athelstan Group Property (cont'd)

In addition, the property is subject to a 2% NSR is payable to the Vendor Group. The Company may acquire one-half of the NSR for USD\$500,000 within five years from the commencement of commercial production on the property.

In November 2020, the Company remitted a \$14,000 bond to the Government of British Columbia to acquire a Mines Act Permit which is valid until November 26, 2025.

e) Come by Chance Property

On May 27, 2020, the Company entered into a property acquisition agreement to acquire 21 mineral claims and 15 reverted claims known as the Come by Chance located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to make the following payments:

- (a) \$7,500 in cash (*paid*);
- (b) issuing 100,000 common shares of the Company upon the Exchange approval (*issued*);
- (c) 200,000 additional common shares of the Company on the one-year anniversary of the date of the agreement (*issued*); and
- (d) 200,000 additional common shares of the Company on the two-year anniversary of the date of the agreement (*issued*).

On June 22, 2022, the agreement was amended to include acquisition of all historical records from the vendor by the Company in consideration of 100,000 common shares (*issued*).

The Company remitted a \$18,500 bond to the Government of British Columbia to acquire a Mines Act Permit which was issued in February 2022.

f) Pride of the West and Black Bear Claims

On November 21, 2019, the Company entered into a property acquisition agreement with a director of the Company to acquire a Crown mineral grant claim known as the Pride of the West Fraction located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to make the following payments:

- (a) issuing a total of 100,000 common shares upon the Exchange approval (*issued*); and
- (b) paying \$25,000 in cash, which was amended to issuance of 500,000 common shares of the Company to the vendor (*issued*).

The Company does not intend to conduct work on the property and has recorded an impairment of \$28,577.

On November 30, 2019, the Company entered into a property acquisition agreement to acquire a reverted Crown mineral grant claim known as the Black Bear located in the Greenwood Mining Division in southern British Columbia. Pursuant to the agreement, the Company agreed to issue 100,000 common shares of the Company to the vendor upon the Exchange approval (*issued*); and paid \$25,000 in cash, which was amended to issuance of 500,000 common shares of the Company to the vendor (*issued*).

The Company abandoned the claims in 2023.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

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5. Exploration and evaluation assets (continued)

g) Crackingstone River Property

Pursuant to an agreement in April 2006, the Company acquired 50% interest in one mineral claim in the Northern Mining District, Crackingstone River Area, Saskatchewan. The other 50% interest was held by Marvel Discovery Corp. ("Marvel"), a company with common directors and officers.

On June 3, 2021, the Company entered into a debt settlement agreement with Marvel to settle the outstanding amount of \$131,733 that Marvel owed to the Company. Pursuant to the agreement, Marvel paid \$30,000 in cash and transferred its 50% interest in the Crackingstone River Property to the Company, subject to Marvel retaining its 1% NSR.

In December 2021, the Company received \$10,000 option payment in cash from XS Minerals Limited ("XS") in connection with the binding term sheet for XS to earn an interest in the property. The binding term sheet was terminated in April 2022. The option payment received was recognized in other income for the year ended January 31, 2022.

6. Trade payables and accrued liabilities

	January 31, 2023	January 31, 2022
Trade payables	\$ 38,295	\$ 33,272
Other payable (Note 5)	173,628	256,250
Accrued liabilities	44,500	20,000
	\$ 256,423	\$ 309,522

7. Flow-through share premium liability

	January 31, 2023	January 31, 2022
Balance, beginning	\$ 26,605	\$ 91,013
Liability recognized on flow-through shares issued	-	40,822
Settlement of flow-through share liability	(26,605)	(105,230)
Balance, ending	\$ -	\$ 26,605

In December 2020, the Company issued 5,050,000 flow-through units for gross proceeds of \$404,000. The units were issued at a premium to the market price in recognition of the tax benefits accruing to subscriber. The Company recognized a flow-through premium liability of \$101,000 in relation to this issuance. The premium liability is derecognized through income as the qualifying expenditures are incurred. During the year ended January 31, 2022, the Company fulfilled the remaining commitment of \$91,013 by incurring qualifying expenditures of \$364,050.

In July 2021, the Company issued 2,721,450 flow-through units for gross proceeds of \$190,502. The units were issued at a premium to the market price in recognition of the tax benefits accruing to subscriber. The Company recognized a flow-through premium liability of \$40,822 in relation to this issuance. During the year ended January 31, 2022, the Company fulfilled \$14,217 of the commitment by incurring qualifying expenditures of \$78,976. As at January 31, 2023 the Company fulfilled the balance of the commitment by incurring qualifying expenditures of \$111,526.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

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8. Share capital***Authorized***

Unlimited number of common shares without par value are authorized for issue.

Share issuances***During the year ended January 31, 2023***

During the year ended January 31, 2023, the Company issued a total of 2,943,500 common shares pursuant to the exercise of warrants at \$0.05 per share for proceeds of \$147,175.

During the year ended January 31, 2023, the Company issued 125,000 common shares pursuant to the exercise of stock options at \$0.06 per share for proceeds of \$7,500. The weighted average trading price on the date of exercise was \$0.06.

On July 26, 2022, the Company issued 500,000 common shares with a fair value of \$30,000 in connection with a property acquisition agreement (Note 5).

On June 22, 2022, the Company issued 100,000 common shares with a fair value of \$6,500 in connection with a property acquisition agreement (Note 5).

On June 6, 2022 the Company issued 200,000 common shares with a fair value of \$15,000 in connection with a property acquisition agreement (Note 5).

On March 18, 2022 the Company issued 7,470,000 units at \$0.07 per unit for proceeds of \$522,900. Each unit comprises one common share and one share purchase warrant expiring March 18, 2024. Each warrant entitles the holder to acquire one additional common share at a price of \$0.10 per share in the first year and \$0.15 in the second year. The Company paid a finder's fee of \$3,360 in cash and 48,000 brokers' warrants. Each brokers' warrant entitles the holder to acquire one common share at a price of \$0.10 per share in the first year and \$0.15 in the second year. The brokers' warrants were valued at \$2,029 using the Black-Scholes Option Pricing Model with a volatility of 110.94%, expected life of 2 years, risk-free interest rate of 2.31%, and a dividend rate of nil.

During the year ended January 31, 2022

During the year ended January 31, 2022, the Company issued a total of 1,275,000 common shares pursuant to the exercise of stock options at prices between \$0.06 and \$0.07 per share for proceeds of \$80,750. The value of the stock options \$81,205 was transferred from stock-based reserve to share capital. The weighted average trading price on the dates of exercise was \$0.07.

During the year ended January 31, 2022, the Company issued a total of 3,125,000 common shares pursuant to the exercise of warrants at prices between \$0.05 to \$0.08 per share for proceeds of \$166,750.

On January 17, 2022 the Company issued 500,000 common shares with a fair value of \$30,000 for finder's fee incurred in connection with the earn-in agreements (Note 5).

On September 6, 2021, the Company issued 500,000 common shares with a fair value of \$30,000 in connection with a property acquisition agreement (Note 5).

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

8. Share capital (cont'd)***Share issuances (continued)****During the year ended January 31, 2022 (cont'd)*

On July 23, 2021, the Company issued 2,721,450 flow-through units at \$0.07 per unit for gross proceeds of \$190,502. Each unit comprises one flow-through common share and one share purchase warrant expiring July 23, 2023. Each warrant entitles the holder to acquire one non-flow-through common share at a price of \$0.12 per share. The Company paid a finder's fee of \$11,200 in cash and 160,002 brokers' warrants. Each brokers' warrant entitles the holder to acquire one common share at a price of \$0.12 per share until July 23, 2023. The brokers' warrants were valued at \$4,528 using the Black-Scholes Option Pricing Model with a volatility of 133.76%, expected life of 2 years, risk-free interest rate of 0.45%, and a dividend rate of nil.

The flow-through units were issued at a premium in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$40,822 (Note 7).

On May 27, 2021, the Company issued 200,000 common shares with a fair value of \$13,000 in connection with a property acquisition agreement (Note 5).

On May 7, 2021, the Company issued 200,000 common shares with a fair value of \$13,000 in connection with a property acquisition agreement (Note 5).

On April 27, 2021, the Company issued 419,167 common shares with a fair value of \$31,437 in connection with a property acquisition agreement (Note 5).

On February 10, 2021, the Company issued 1,672,000 units at \$0.07 per unit for proceeds of \$117,040. Each unit comprises one common share and one share purchase warrant expiring February 10, 2023. Each warrant entitles the holder to acquire one additional common share at a price of \$0.10 per share. The warrant term may be accelerated in the event that the issuer's shares trade at or above a price of \$0.15 per share for a period of 10 consecutive days.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. The options vest at the discretion of the Board of Directors.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended January 31, 2023 and 2022

8. Share capital (continued)***Stock options (continued)***

The changes in stock options during the period are as follows:

	Number of options	Weighted average exercise price
Balance, January 31, 2021	3,898,125	\$ 0.12
Granted	2,000,000	0.10
Expired	(378,125)	0.48
Exercised	(1,275,000)	0.06
Balance, January 31, 2022	4,245,000	\$ 0.10
Granted	1,825,000	0.10
Expired	(575,000)	0.21
Exercised	(125,000)	0.06
Balance, January 31, 2023	5,370,000	\$ 0.09
Exercisable, January 31, 2023	5,370,000	\$ 0.09

As at January 31, 2023, stock options were outstanding as follows:

Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)
200,000	\$0.05	February 24, 2023	0.07
500,000	\$0.10	February 28, 2023	0.08
300,000	\$0.10	June 7, 2025	2.35
895,000	\$0.06	August 28, 2025	2.57
500,000	\$0.10	September 2, 2025	2.59
450,000	\$0.07	January 29, 2026	3.00
1,400,000	\$0.10	October 21, 2026	3.72
100,000	\$0.10	November 9, 2026	3.78
1,025,000	\$0.10	March 4, 2027	4.09
5,370,000			

During the year ended January 31, 2023, there were \$85,922 (January 31, 2022 - \$98,250) stock-based payments recognized on stock options vested. The fair value of the stock options granted was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

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For the years ended January 31, 2023 and 2022

8. Share capital (continued)***Stock options (continued)***

	January 31, 2023	January 31, 2022
Expected life	4.12 years	5.00 years
Annualized volatility	117.80%	117.91%
Risk-free interest rate	2.87%	1.48%
Dividend rate	0%	0%

Warrants

In September 2021, the Company offered a warrant exercise incentive program in which the holders of a total of 5,780,500 outstanding warrants would receive one additional incentive warrant in consideration of the early exercise. The incentive warrant would be one warrant exercisable at a price of \$0.10 until November 4, 2022. A total of 2,600,000 incentive warrants were issued.

Changes in warrants during the period are as follows:

	Number of warrants	Weighted average exercise price
Balance, January 31, 2021	27,725,800	\$ 0.09
Issued	7,153,452	0.11
Exercised	(3,125,000)	0.05
Expired	(5,137,500)	0.11
Balance, January 31, 2022	26,616,752	\$ 0.10
Issued	7,518,000	0.10
Exercised	(2,943,500)	0.05
Expired	(9,586,800)	0.11
Balance, January 31, 2023	21,604,452	\$ 0.10

The warrants outstanding at January 31, 2023 are as follows:

Number outstanding	Weighted average exercise price	Weighted average remaining life (years)	Expiry date
1,672,000	\$ 0.10	0.03	February 10, 2023
2,881,452	\$ 0.12	0.47	July 23, 2023
9,533,000	\$ 0.10	0.57	August 27, 2023
7,518,000	\$ 0.125	1.13	March 18, 2024
21,604,452	\$ 0.11	0.71	

BELMONT RESOURCES INC.

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For the years ended January 31, 2023 and 2022

9. Related party balances and transactions***Related party balances***

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company or its subsidiaries, directly or indirectly. Key management personnel include the Company's directors and executive officers.

The following amounts are due to related parties:

	January 31, 2023	January 31, 2022
Companies with directors and officers in common	\$ 45,000	\$ 51,500
Directors	45,000	60,000
	<u>\$ 90,000</u>	<u>\$ 111,500</u>

Amounts due to and from related parties are unsecured, non-interest bearing and with no specific terms of repayment.

Related party transactions***Key management personnel compensation***

	Years ended January 31,	
	2023	2022
Management fees	\$ 120,000	\$ 120,000
Salaries and benefits	60,000	60,000
Consulting fees	3,500	1,000
Stock-based payments	56,395	93,660
	<u>\$ 239,895</u>	<u>\$ 274,660</u>

On June 15, 2020, the Company entered into a Management Consulting Agreement with Cankor Capital Inc, ("Cankor") a company owned by the Company's Chief Executive Officer for an indefinite period with compensation of \$10,000 monthly.

During the year ended January 31, 2023, the Company has paid \$3,500 (2022 - \$1,000) to a director of the Company for geological consulting services.

During the year ended January 31, 2022, the Company entered into a property option agreement with Highrock Resources Ltd. (Note 5). The Company and Highrock share common directors.

10. Financial instruments, risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. As most of the Company's cash is held by one bank there is a concentration

BELMONT RESOURCES INC.

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For the years ended January 31, 2023 and 2022

10. Financial instruments, risk and capital management (continued)

of credit risk. This risk is managed by using a major bank that is high credit quality financial institutions as determined by rating agencies.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to exchange risk as a mineral property interest is located in the United States and transactions are conducted in the US dollar.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages this risk by careful management of its working capital. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There is no assurance of continued access to significant equity funding. As discussed in Note 1 *Going Concern*, the Company requires additional funding to continue with its ongoing operations and exploration commitments.

Capital Management

The Company includes cash and equity in the definition of capital. Equity is comprised of issued common shares, reserves, and deficit.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There were no changes in the Company's approach to capital management during the year.

Fair value

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

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

The Company's cash and marketable securities are measured at level 1 fair value. The carrying value of the Company's receivables, trade payables and amounts due to and due from related parties approximate their corresponding fair values because of the relatively short periods to maturity of these instruments and the low credit risk.

BELMONT RESOURCES INC.

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For the years ended January 31, 2023 and 2022

11. Non-cash transactions

The Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Years ended January 31,	
	2023	2022
Exploration and evaluation expenditures recognized in trade payables and accrued liabilities	\$ 31,869	\$ 49,015
Fair value of shares issued on acquisition of exploration and evaluation assets	51,500	87,437
Fair value of shares issued for finder's fee related to the earn-in agreements for certain exploration and evaluation assets	-	30,000
Fair value of marketable securities received related to the earn-in agreements for certain exploration and evaluation assets	121,354	260,000
Fair value of brokers' warrants issued	\$ 2,029	\$ 4,528

12. Income taxes

A reconciliation of the effective income tax rate to the statutory federal and provincial rate is as follows:

	Years ended January 31,	
	2023	2022
Net loss for the year before income taxes	\$ (535,946)	\$ (327,955)
Statutory corporate tax rate	27%	27%
Expected tax recovery at statutory rates	(144,700)	(88,548)
Non-deductible items	16,000	26,644
Impact of option payments received in securities and cash	(89,500)	-
Impact of flow through shares	28,700	(119,617)
Share issuance costs	(3,300)	8,452
Change in prior year versus statutory return, and other	164,200	58,759
Unrealized loss on marketable securities	(21,600)	-
Change in unrecognized deferred income tax assets	50,200	114,309
Income tax recovery	\$ -	\$ -

The Company's tax-effected deferred tax assets are estimated as follows:

	January 31, 2023	January 31, 2022
Net capital losses	\$ 1,406,300	\$ 1,382,964
Non-capital losses	1,898,000	1,712,501
Resource deduction pools available and other	503,500	676,139
Marketable securities	14,400	1,334
Share issuance costs	20,300	27,838
Equipment	21,600	13,077
Deferred tax assets	3,864,100	3,813,853
Unrecognized deferred tax assets	(3,864,100)	(3,813,853)
	\$ -	\$ -

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

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For the years ended January 31, 2023 and 2022

12. Income taxes (continued)

The Company has available non-capital losses of approximately \$7,029,000 that expire between 2027 and 2043, and may be carried forward and applied against income for tax purposes.

13. Subsequent events

On February 10, 2023, 1,672,000 warrants exercisable at \$0.10 per share expired unexercised.

On February 24, 2023, a total of 200,000 stock options exercisable at \$0.05 per share expired unexercised.

On February 28, 2023, a total of 500,000 stock options exercisable at \$0.05 per share expired unexercised.

On April 3, 2023, the Company was notified of a lawsuit filed in the Supreme Court of British Columbia by Marquee Resources Ltd. Marquee claims that the Company has failed and refused to transfer an 80% interest in the Kibby Center lithium property in Nevada, USA to Marquee pursuant to an option agreement dated November 1, 2021. The claim is still at the preliminary stage. It is premature to determine the outcome of this claim.