



Financial Statements

For the years ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

Independent Auditor’s Report

To the Shareholders of Core Assets Corp.,

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Core Assets Corp. (the “Company”), which comprise the statements of financial position as at September 30, 2023 and 2022 and the statements of operations and comprehensive loss, changes in equity and cash flows for the years ended September 30, 2023 and 2022, 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 September 30, 2023 and 2022 and its financial performance and its cash flows for the years ended September 30, 2023 and 2022 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 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 has accumulated losses since inception, has no source of operating cash flows and has yet to achieve profitable operations. As stated in Note 1, the Company’s ability to continue as a going concern is dependent upon its ability to obtain additional financing to fund the Company’s exploration and development programs. These matters, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

We have determined that there is the following key audit matter to communicate in our auditor’s report:

Key audit matter:	How our audit addressed the key audit matter:
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 3 – Significant accounting judgments, estimates and assumptions, note 4 – Significant accounting policies Exploration and evaluation costs and Mining rights, and note 6 – Exploration and evaluation assets</i>	Evaluated the reasonableness of management’s assessment of impairment indicators, which included the following:
Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable.	<ul style="list-style-type: none"> • Assessed the Company’s market capitalization in comparison to the Company’s net assets, which may be an indication of impairment.

Management applies significant judgment in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.

- Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.
- Confirmed that the Company's right to explore the properties had not expired.
- Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets.
- Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the financial statements and our auditor's report thereon.

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, 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. 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 IFRS, 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 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 G. Cameron Dong.

The image shows a handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC, Canada
January 26, 2024

Core Assets Corp.

Statements of Financial Position

As at September 30,

As expressed in Canadian dollars

	2023	2022
Assets		
Current		
Cash	\$ 217,903	\$ 1,140,779
Sales taxes and other receivables	130,963	150,633
Prepaid expenses	99,264	42,170
	448,130	1,333,582
Promissory notes (Note 9)	38,717	38,717
Exploration and evaluation assets (Note 6 and Note 9)	8,759,191	5,692,258
Reclamation bonds (Note 5)	37,200	37,200
	\$ 9,283,238	\$ 7,101,757
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 42,956	\$ 256,653
Due to related parties (Note 9)	128,944	82,682
	171,900	339,335
Deferred income taxes (Note 13)	304,532	-
	476,432	339,335
Shareholders' Equity		
Share capital (Note 7)	10,362,096	8,599,209
Reserves (Note 8)	2,269,172	1,633,447
Deficit	(3,824,462)	(3,470,234)
	8,806,806	6,762,422
	\$ 9,283,238	\$ 7,101,757

Approved and authorized by the Board of Directors on January 26, 2024:

*"Nicholas Rodway"*_____
Director*"Joshua Vann"*_____
Director

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

Core Assets Corp.

Statements of Operations and Comprehensive Loss

For the years ended September 30,

As expressed in Canadian dollars

	2023	2022
Expenses		
Accounting and audit fees	\$ 17,000	\$ 15,139
Administrative fees (Note 9)	150,000	150,000
Advertising and travel expenses	268,243	347,615
Consulting fees and salaries (Note 9)	220,171	210,535
Legal fees	22,020	31,873
Office and miscellaneous	21,701	14,698
Share-based payments (Note 8)	665,466	1,427,556
Transfer agent and filing fees	46,189	43,833
Loss before other items	1,410,790	2,241,249
Other items		
Interest income	(65,209)	(18,918)
Flow-through premium recovery (Note 11)	(1,295,885)	-
Net Loss & Comprehensive Loss before income taxes	(49,696)	(2,222,331)
Deferred income tax expense (Note 13)	(304,532)	-
Net Loss & Comprehensive Loss for the Year	\$ (354,228)	\$ (2,222,331)
Basic and Diluted Loss Per Share	\$ (0.00)	\$ (0.03)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	81,966,500	68,865,030

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

Core Assets Corp.

Statements of Changes in Equity

For the years ended September 30,

As expressed in Canadian dollars

	Number of Shares	Share Capital	Reserves	Shares Subscribed	Deficit	Total
Balance, September 30, 2021	57,867,479	\$ 3,834,809	\$ 318,831	\$ 31,500	\$ (1,247,903)	\$ 2,937,237
Shares issued (Note 7)	9,379,875	3,258,356	-	-	-	3,258,356
Share issuance costs	-	(39,490)	-	-	-	(39,490)
Options exercised (Note 7)	1,390,000	250,987	(98,987)	-	-	152,000
Warrants exercised (Note 7)	8,437,292	1,294,547	(13,953)	(31,500)	-	1,249,094
Share-based payments (Note 8)	-	-	1,427,556	-	-	1,427,556
Net loss for the year	-	-	-	-	(2,222,331)	(2,222,331)
Balance, September 30, 2022	77,074,646	\$ 8,599,209	\$ 1,633,447	\$ -	\$ (3,470,234)	\$ 6,762,422
Flow-through shares issued (Note 7)	7,004,786	1,716,173	-	-	-	1,716,173
Share issuance costs	-	(65,863)	11,836	-	-	(54,027)
Options exercised (Note 7)	710,000	112,577	(41,577)	-	-	71,000
Share-based payments (Note 8)	-	-	665,466	-	-	665,466
Net loss for the year	-	-	-	-	(354,228)	(354,228)
Balance, September 30, 2023	84,789,432	\$ 10,362,096	\$ 2,269,172	\$ -	\$ (3,824,462)	\$ 8,806,806

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

Core Assets Corp.

Statements of Cash Flows

For the years ended September 30,

As expressed in Canadian dollars

	2023	2022
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net income (loss) for the year	\$ (354,228)	\$ (2,222,331)
Add (deduct) items not affecting cash:		
Share-based compensation	665,466	1,427,556
Flow-through premium recovery	(1,295,885)	-
Deferred income tax expense	304,532	-
Changes in non-cash working capital items related to operations:		
Sales taxes and other receivables	19,670	(126,225)
Prepaid expenses	(57,094)	30,329
Due to related parties	78,786	(1,179)
Promissory notes	-	43,253
Accounts payable and accrued liabilities	4,621	(6,110)
Net cash flows (used in) operating activities	(634,132)	(854,707)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issue of common shares	3,083,058	4,659,450
Share issuance costs	(54,027)	(39,490)
Net cash flows from financing activities	3,029,031	4,619,960
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Reclamation bond	-	(11,700)
Mining tax credit	850,446	3,378
Exploration and evaluation costs	(4,168,221)	(4,145,118)
Net cash flows (used in) investing activities	(3,317,775)	(4,153,440)
Increase (decrease) in cash	(922,876)	(388,187)
Cash, beginning of year	1,140,779	1,528,966
Cash, end of year	\$ 217,903	\$ 1,140,779

See also Note 12.

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

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

Expressed in Canadian dollars

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Core Assets Corp. (“Core” or the “Company”) was incorporated on April 20, 2016, under the Company Act of British Columbia and is in the business of acquiring, exploring, developing and evaluating mineral resource properties. The Company is in the exploration stage and has interests in properties located in British Columbia (“BC”), Canada. The head office, principal address and registered and records office of the Company are located at 1450 – 789 West Pender, Vancouver, BC, Canada, V6C 1H2.

On July 8, 2020, the Company received final receipt from the British Columbia Securities Commission for its Long Form Prospectus dated July 7, 2020. On July 27, 2020, the Company’s shares were listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “CC”. The Company’s shares also trade on the OTCQB under the symbol “CCOOF” and on the Frankfurt Stock Exchange under the symbol “A2QCCU”.

These audited financial statements were authorized for issue by the Audit Committee and Board of Directors on January 26, 2024.

The Company has no source of operating cash flows, has not yet achieved profitable operations, has working capital of \$276,230 at September 30, 2023 (2022: \$994,247), has accumulated losses since its inception, expects to incur further losses in the development of its business, and has no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. These material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. In recognition of these circumstances, management is pursuing various financial alternatives to fund the Company’s exploration and development programs. There is no assurance that these initiatives will be successful.

In the future, the Company may raise additional financing through the issuance of share capital or shareholder loans, however, there can be no assurance that it will be successful in its efforts to do so and that the terms will be favourable to the Company. These financial statements do not include any adjustments to the carrying values of assets and liabilities, the reported expenses and statement of financial position classifications that might be necessary should the Company be unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Management is actively seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

Expressed in Canadian dollars

2. BASIS OF PRESENTATION - continued

Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and assumptions

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income; and
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods.

Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies from those involving estimations that have the most significant effect on the amounts recognized in the Company's financial statements are as follows:

- Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs: Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.
- Provisions for reclamation: Management assesses its provision for reclamation on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs, the timing of these expenditures, and the impact of changes in discount rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.
- Going concern: The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

Expressed in Canadian dollars

4. SIGNIFICANT ACCOUNTING POLICIES

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

Foreign currency translation

The Company's presentation currency and functional currency is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of each reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

All gains and losses on translation of these foreign currency transactions are included in profit or loss.

Cash

Cash consists of amounts held in banks and cashable highly liquid investments with limited interest and credit risk.

Short-term investments

Short-term investments are investments which are transitional or current in nature, with an original maturity greater than three months but less than one year.

Exploration and evaluation costs

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility, and the assessment of commercial viability of an identified resource.

Exploration and evaluation costs incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, exploration and evaluation costs incurred are capitalized. All capitalized exploration and evaluation costs are recorded at acquisition cost and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statement of operations and comprehensive loss to the extent that they are not expected to be recovered.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets are tested for impairment and transferred to "Mines under construction". There is no amortization during the exploration and evaluation phase.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

Expressed in Canadian dollars

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Mining rights

Mining rights acquired separately are measured on initial recognition at cost in accordance with *IAS 38 – Intangible Assets*. The cost of mining rights acquired is their fair value as at the date of acquisition. Mining rights include licenses, permits or other legal rights which permit the Company to carry out exploration activities within the subject area of these rights. The Company records mining rights separate from exploration and evaluation assets when there are no initial plans or intentions to carryout exploration activities upon acquisition.

Following initial recognition, mining rights are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of mining rights are assessed as either finite or indefinite. Mining rights with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the mining rights may be impaired. Mining rights with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Reclamation bonds

Reclamation bonds are required by the Ministry of Natural Resources and are mostly represented by Guaranteed Interest Certificates (“GIC”) held in the Company’s name at a bank. The Company is entitled to interest on the GICs which is earned at an interest rate ranging from prime minus 2.4% to prime minus 2.6%. The reclamation bonds cannot be withdrawn by the Company without the consent of the Ministry of Natural Resources.

Mining tax credits

Mining tax credits and mining duties are recorded in the accounts when they are received. These refundable mining tax credits are earned in respect to exploration costs incurred in BC, Canada and are recorded as a reduction of the related deferred exploration expenditures.

Financial instruments

We have assessed the classification and measurement of our financial assets and financial liabilities under IFRS 9 as follows:

Financial Assets	
Cash	Amortized cost
Reclamation bond	Amortized cost
Promissory note	Amortized cost
Financial Liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

The classification of financial assets is based on how the entity manages its financial instruments and contractual cash flow characteristics of the financial asset. Transactions costs with respect to financial instruments classified as fair value through profit or loss are recognized in the statements of operations and comprehensive loss.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

Expressed in Canadian dollars

As at September 30, 2023 and 2022, the Company had no financial instruments recorded at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Share-based payment transactions

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, which vest immediately and are priced at the previous day's closing price.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

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 a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 nor taxable profit; and differences relating to investments in subsidiaries and associates 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 financial position reporting date applicable to the period of expected realization or settlement.

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.

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.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

Expressed in Canadian dollars

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the common shares are issued.

Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for tax purposes by the investors who purchased the shares. While IFRS contains no specific guidance on accounting for flow-through shares, the Company has chosen to adopt the following accounting policy:

At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received (i.e. the “flow-through commitment”) as follows:

- Share capital – the fair market price at the date of the issue;
- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature, i.e. the portion in excess of the market value of the shares without the flow-through features at the time of issue; and
- Fair value of warrants – if warrants are being issued, based on the valuation derived using the residual method.

In the case that the Company does not issue non-flow-through units together with the flow-through units, the flow-through share premium is determined by using the residual method, whereby the fair value of warrants will be valued based on the Black-Scholes option-pricing model, and the flow-through share premium equal to any residual balance after the fair market price of the common shares and fair value of warrants.

As qualifying resource expenditures are incurred, these costs are capitalized to exploration and evaluation assets.

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 until paid.

Earnings (loss) per share

The Company presents basic and diluted earnings/loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

Expressed in Canadian dollars

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Related party transactions

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

Impairment of non-current assets

Non-current assets are evaluated at least annually by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in income to the extent that the carrying amount exceeds the recoverable amount.

In calculating the recoverable amount, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. Additionally, the reviews take into account factors such as political, social and legal and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount. The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects. Discounted cash flow techniques often require management to make estimates and assumptions concerning reserves and expected future production revenues and expenses.

Decommissioning liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. A pre-tax discount rate that reflects the time value of money and the risks specific to the liability are used to calculate the net present value of the expected future cash flows. These costs are charged to the statement of operations and comprehensive loss over the economic life of the related asset, through depreciation expense using either the unit-of-production or the straight-line method as appropriate. The related liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognized in the statement of loss. The liability is assessed at each reporting date for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

Expressed in Canadian dollars

4. SIGNIFICANT ACCOUNTING POLICIES - continued

Future accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after October 1, 2022 or later periods. All are not applicable or will not have a significant impact to the Company and have been excluded.

5. RECLAMATION BOND

At September 30, 2023, the Company has a reclamation security deposit of \$37,200 (2022: \$37,200) with the Ministry of Energy, Mines and Low Carbon Innovation for the proposed exploration program on the Blue Property.

6. EXPLORATION AND EVALUATION ASSETS

The following is a description of the Company's property interests and related spending commitments:

Blue Property

On December 10, 2018, the Company signed an agreement with Zimtu Capital Corp. ("Zimtu"), a related party (see Note 9), whereby the Company can earn a 100% interest in and to the Blue Property, in British Columbia. For its participation in the transaction, the Company paid \$100,000 and issued 3,000,000 common shares of the Company in staged payments (1,000,000 shares with a fair value of \$50,000 issued during the year ended September 30, 2019 and 2,000,000 with a fair value of \$225,000 were issued during the year ended September 30, 2021).

On August 1, 2019, the Company signed an agreement with Zimtu, whereby the Company can earn a 100% interest in and to the Silver Lime Property, in British Columbia by issuing 1,000,000 common shares (issued) of the Company.

In August 2020, the Company acquired 8 additional claims in and around the Company's Blue and Silver Lime properties from Zimtu. The cost to acquire the claims amounted to the cost of staking paid by Zimtu (\$23,025). The addition of these claims expanded and consolidated the Blue Property and the Silver Lime Property into one contiguous property that will continue to be called the Blue Property. In June 2021, the Company acquired 6 additional claims in and around the Company's Blue and Silver Lime properties from Zimtu. The cost to acquire the claims amounted to the cost of staking paid by Zimtu of \$26,095 plus 20% interest for a total of \$31,314.

During the year ended September 30, 2021, the Company staked an additional 82,257 ha of land, increasing its land package to approximately 108,337 ha. The cost of the staking was \$140,950.

On April 6, 2022, the Company acquired a 100% interest in two mineral tenures, consisting of approximately 3,311 Ha, known as the Atlin Lake Claims, at a cost of \$10,000 (paid) from an individual. The two tenures cover the western side of the Willison glacier.

During the year ended September 30, 2023, two mineral tenure licences were staked totaling approximately 2,326 hectares, North of the Kim Project.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

Expressed in Canadian dollars

6. EXPLORATION AND EVALUATION ASSETS – continued

Blue Property - continued

The following are the expenditures on the Blue Property for the years ended September 30, 2023 and 2022:

	September 30, 2023	September 30, 2022
Opening balance	\$ 5,692,258	\$ 1,307,716
Acquisition costs – cash and staking	4,070	10,208
Assays	561,746	128,117
Camp and accommodations	330,523	273,233
Drilling	580,807	1,301,742
Field supplies and rentals	265,815	444,893
Fuel	51,786	-
Geological expenses and geophysical survey	976,093	756,744
Reports and other	6,144	3,000
Travel and transport	1,140,395	1,469,983
Mining tax credit	(850,446)	(3,378)
Ending balance	\$ 8,759,191	\$ 5,692,258

7. SHARE CAPITAL

- a) Authorized: Unlimited common shares with no par value.
- b) Issued and outstanding: The total issued and outstanding shares of the Company are 84,789,432 as at September 30, 2023 (2022: 77,074,646).

During the year ended September 30, 2023:

- i. On December 9, 2022, 710,000 stock options priced at \$0.10 were exercised for gross proceeds of \$71,000. Of the total, 600,000 stock options were exercised by directors and officers of the Company.
- ii. On February 17, 2023, the Company completed a private placement of 7,004,786 Charity Flow-Through Units (each, a "Unit") at a price of \$0.43 per Unit for gross proceeds of \$3,012,058. Each Unit was comprised of one common share of the Company issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one half of one common share purchase warrant (each whole such warrant, a "Warrant") issued on a non-flow through basis. Each Warrant is exercisable into one common share of the Company (each, a "Warrant Share") at a price of \$0.47 at any time on or before February 17, 2025. In connection with the offering, the Company paid cash finders' fees to several eligible persons ("Finders") in the total amount of \$36,229. In addition, the Company issued 96,264 finders' warrants with the same terms as the Warrants. The fair value of finders' warrants issued was \$11,836 and determined using the Black-Scholes pricing model with the following assumptions: Share price on grant date of \$0.245; expected dividend yield of 0%; risk-free interest rate of 4.15%; volatility of 122.90%; and expected life of 2 years.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

Expressed in Canadian dollars

7. SHARE CAPITAL - continued

During the year ended September 30, 2022:

- i. On January 21, 2022, the Company completed a non-brokered private placement (the "Offering") of 6,657,752 units (each, a "Unit") at a price of \$0.24 per Unit for gross proceeds of \$1,597,860. Each Unit is comprised of one common share (each, a "Share") in the capital of the Company and one whole transferable Share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder to purchase one additional Share (each, a "Warrant Share") for a period of two years from the closing date (the "Closing Date") at an exercise price of \$0.39 per Warrant Share. In connection with the Offering, Crescat Capital LLC ("Crescat Capital") made a strategic investment in the Company of \$1,275,000 (the "Crescat Capital Investment"). Following the completion of the Crescat Capital Investment, Crescat Capital has an option to participate in future financings of the Company to maintain its interest in the Company for so long as it holds greater than 3% of the issued and outstanding Common Shares. All securities issued in connection with the Offering are subject to a four month hold as required under applicable securities laws and, in addition, are subject to an 18 month hold from the Closing Date split up into 3 releases of one third (1/3) of the securities issued under the Offering every six months from the Closing Date. Cash finder's fees of \$4,101 were paid to eligible finders in connection with the Offering.
- ii. On August 25, 2022, the Company completed a non-brokered private placement offering (the "Offering") of 2,722,123 units (each, a "Unit") at a price of \$0.61 per Unit for gross proceeds of \$1,660,495. Each Unit is comprised of one common share (each, a "Share") in the capital of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one additional Share (a "Warrant Share") for a period of two years from the closing date of the Offering at a price of \$0.85 per Warrant Share. All securities issued in connection with the Offering will be subject to a hold period of four months and one day from the date of issuance as required under applicable securities laws. The Company did not pay any finder's fees in connection with the Offering.
- iii. During the year ended September 30, 2022, 8,287,292 share purchase warrants priced at \$0.15 and 150,000 share purchase warrants priced at \$0.25 were exercised for gross proceeds of \$1,280,594.
- iv. During the year ended September 30, 2022, 1,065,000 stock options priced at \$0.10 and 325,000 stock options priced at \$0.14 were exercised for gross proceeds of \$152,000.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

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7. SHARE CAPITAL - continued

c) Share purchase warrants / finder's warrants:

The following is a summary of warrant transactions for the years ended September 30, 2023 and 2022:

	2023		2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	15,266,480	\$ 0.36	15,684,959	\$ 0.19
Granted	3,598,657	0.47	8,018,813	0.47
Expired	(1,741,667)	0.25	-	-
Exercised	-	-	(8,437,292)	0.15
Balance, end of year	17,123,470	\$ 0.40	15,266,480	\$ 0.36

The following warrants were outstanding and exercisable as at September 30, 2023:

Expiry Date	Exercise Price	Number of Warrants	Contractual Life (Years)
August 25, 2025*	\$0.25	5,506,000	1.90
January 21, 2024**	\$0.39	6,657,752	0.31
August 25, 2024	\$0.85	1,361,061	0.90
February 17, 2025	\$0.47	3,598,657	1.39
Total outstanding and exercisable		17,123,470	1.10

*During the year ended September 30, 2023, the Company extended these warrants by 2 years. All other terms remain the same.

**Subsequently expired unexercised.

8. SHARE-BASED PAYMENTS

The Company has a stock option plan for officers, directors, employees and consultants. Options are granted with an exercise price determined by the Board of Directors, which may not be less than 25% of the Company's stock price on the date of the grant. Options granted to directors, employees and consultants other than consultants engaged in investor relations activities will vest immediately. However, for options granted to employees and consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three-month period.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

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8. SHARE-BASED PAYMENTS - continued

The following is a summary of option transactions under the Company's stock option plan for the years ended September 30, 2023 and 2022:

	2023		2022	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	6,320,000	\$ 0.37	3,635,000	\$ 0.12
Exercised	(710,000)	0.10	(1,390,000)	0.11
Expired	(1,435,000)	0.14	-	-
Cancelled	-	-	(425,000)	0.41
Granted	3,515,000	0.23	4,500,000	0.50
Balance, end of year	7,690,000	\$ 0.38	6,320,000	\$ 0.37

The following stock options were outstanding and exercisable as at September 30, 2023:

Expiry Date	Exercise Price	Number of Options	Contractual Life (Years)
March 3, 2026	\$0.50	4,175,000	2.42
June 19, 2027	\$0.23	3,515,000	3.72
Total outstanding options	\$0.38	7,690,000	3.02
Total exercisable options	\$0.47	4,614,375	2.55

On June 19, 2023, the Company granted 3,515,000 stock options to certain directors, officers and consultants of the Company pursuant to its Stock Option Plan. Each option is exercisable for a period of 4 years from the date of Grant, expiring on June 19, 2027, at a price of \$0.23 per Share, vesting over four years in increments of 12.5% every six months.

The weighted average share price, at the date of exercise, of stock options exercised during the year was \$0.335.

On March 3, 2022, the Company granted 4,500,000 stock options to certain directors, officers, employees and consultants of the Company pursuant to its Stock Option Plan. Each option is exercisable for a period of 4 years from the date of grant, expiring March 3, 2026, at a price of \$0.50 per common share, vesting over two years in increments of 25% every 6 months.

During the year ended September 30, 2023, \$665,466 (2022 - \$1,427,556) was charged to share-based payments. The following assumptions were used for the Black-Scholes pricing model calculations:

	March 3, 2022	June 19, 2023
Risk-free interest rate	1.52%	4.20%
Expected stock price volatility	144.6%	127.94%
Expected option life in years	4 years	4 years
Dividend rate	Nil	Nil

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

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9. RELATED PARTY TRANSACTIONS

During the years ended September 30, 2023 and 2022, the Company incurred the following transactions with officers or directors of the Company or companies with common directors:

Key management compensation*	Year ended September 30,	
	2023	2022
Exploration and evaluation asset expenditures	\$ 191,375	\$ 118,050
Wages to key management	186,625	197,980
Share-based payments	470,750	935,409
Administrative fees	150,000	150,000
Advertising	81,000	150,000
Total	\$ 1,079,750	\$ 1,551,439

* Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and certain members of its Board of Directors.

On June 11, 2021, the Company granted 1,920,000 bonus shares to two directors. Per Canada Revenue Agency requirements, all payroll taxes for the bonus shares were due on July 15, 2021. The Company paid the payroll taxes of \$81,970 due by the directors and received promissory notes for reimbursement of these taxes. During the year ended September 30, 2023, \$nil (2022 - \$43,253) was repaid to the Company.

As at September 30, 2023, there was \$128,944 (2022: \$82,682) due to related parties of the Company.

Zimtu Capital Corp. ("Zimtu") is a company with common directors and management. Zimtu provides key management services and investor relations services to the Company and at September 30, 2023 holds 10.09% (2022 - 11.1%) of the Company's shares. Subsequent to September 30, 2023, in connection with the issuance of shares and the resignation of a common director, the Company and Zimtu ceased to be a related party.

On August 1, 2020, the Company entered into a Management Services Agreement ("Agreement") with Zimtu. Under the terms of the Agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, at a rate of \$12,500 per month. On August 1, 2022, the Agreement was renewed for an additional sixteen months. Subsequent to the year end, the Agreement was renewed for twelve months. See also Note 6.

On October 1, 2021, the Company engaged Zimtu to provide marketing services as part of a cooperative marketing program. In consideration, the Company made monthly payments of \$12,500. On January 1, 2023, the Company entered into a new agreement with Zimtu to provide marketing services for a 12-month period at a rate of \$9,000 per month, and the agreement was subsequently renewed for an additional twelve months.

The terms and conditions of these transactions with key management and their related parties were no more favourable than those available, or which might reasonably be expected to be available, or similar transactions to non-key management related entities on an arm's length basis.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

Core Assets Corp.

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10. FINANCIAL INSTRUMENTS

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies as set out herein.

a) **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is subject to credit risk for a maximum of the amounts shown on the statements of financial position.

At September 30, 2023, the Company held cash of \$217,903 (2022: \$1,140,779) with Canadian chartered banks.

b) **Liquidity Risk**

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

As at September 30, 2023, the Company has total current liabilities of \$171,900 (2022: \$339,335). Management intends to meet these obligations by raising funds through future financings.

c) **Market Risk**

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

i) ***Currency Risk***

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is in the exploration stage and has not yet developed commercial mineral interests, the underlying commodity price for minerals is impacted by changes in the exchange rate between the Canadian and United States dollar. As all of the Company's transactions are denominated in Canadian dollars, the Company is not significantly exposed to foreign currency exchange risk at this time.

ii) ***Commodity Price Risk***

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

iii) ***Interest Rate Risk***

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

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10. FINANCIAL INSTRUMENTS – continued

d) 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.

e) Capital Management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at September 30, 2023, the Company's shareholders' equity was \$8,806,806 (2022: \$6,762,422). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure which is comprised of working capital and shareholders' equity.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the exploration of its mineral properties, the Company prepares annual expenditure budgets which are updated as necessary and are reviewed and periodically approved by the Company's Board of Directors. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of mineral properties. The Company is not subject to any externally imposed capital requirements and there were no changes in the Company's approach to capital management during the year.

11. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On February 17, 2023, the Company issued 7,004,786 common shares on a "flow-through" basis at a price of \$0.43 per Share for gross proceeds of \$3,012,058. A flow-through share liability of \$1,295,885 was recognized at the date of issuance based on the premium value of the flow-through share at the time of issuance. At September 30, 2023, the Company had incurred \$3,012,058 in qualified expenditures. The flow-through expenditures will be renounced on December 31, 2023.

Core Assets Corp.

Notes to the Financial Statements

For the years ended September 30, 2023 and 2022

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12. SUPPLEMENTAL CASH FLOW INFORMATION

The significant non-cash transactions during year ended September 30, 2023 were:

- a) At September 30, 2023, included in accounts payable and accrued liabilities is \$28,832 (2022: \$247,150) of exploration and evaluation asset costs.
- b) At September 30, 2023, included in due to related parties is \$33,425 (2022: \$65,949) of exploration and evaluation asset costs.

13. CORPORATE INCOME TAXES

The Company is subject to income taxes in Canada. The reconciliation of the income tax provision computed at the statutory rate is as follows:

	2023	2022
	\$	\$
Net loss before tax	(49,695)	(2,222,331)
Statutory tax rate	27.00%	27.00%
Expected income tax recovery	(13,418)	(600,029)
Net adjustments for deductible and non-deductible amounts	629,735	397,539
Change in valuation allowance	(311,785)	202,490
Deferred income tax expense per financial statements	304,532	-

There are no deferred tax assets/(liabilities) presented in the statement of financial position.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets/(liabilities) have been recognized are attributable to the following:

	2023	2022
	\$	\$
Non-capital loss carry forward	2,603,362	1,898,609
Exploration and evaluation assets	(3,815,454)	(803,396)
Share issue costs	84,196	59,549
Deferred tax assets/(liabilities)	(1,127,896)	1,154,762

Core Assets Corp.

Notes to the Financial Statements

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13. CORPORATE INCOME TAXES - continued

The Company has non-capital losses available for Canadian income tax purposes which may be carried forward to reduce taxable income in future years. If not utilized, the non-capital losses in the amount of \$2,603,363 expire as follows:

Expiry	\$
2038	1,737
2039	134,659
2040	163,012
2041	790,448
2042	808,753
2043	704,754
Total	2,603,363

The Company has unclaimed resource deductions in the amount of \$4,943,737 (2022: \$4,888,862), which do not expire and may be deducted against future taxable income on a discretionary basis.

14. SUBSEQUENT EVENTS

On November 17, 2023, the Company completed a non-brokered private placement issuing an aggregate of 16,392,505 Units at a price of \$0.12 per Unit for gross proceeds of \$1,967,101. Each Unit is comprised of one common share (each, a "Share") in the capital of the Company and one-half of one transferable Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional Share (each, a "Warrant Share") for a period of two years from the closing date (the "Closing Date") at an exercise price of \$0.22 per Warrant Share.

Additionally, on November 17, 2023, the Company completed a non-brokered private placement issuing an aggregate of 25,923,752 Flow-through Units ("FT Unit") at a price of \$0.14 per FT Unit for gross proceeds of \$3,629,325. Each FT Unit is comprised of one common share (each, a "FT Share") in the capital of the Company issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) and one-half of one transferable common share purchase warrant (each whole warrant, a "FT Warrant"). Each whole FT Warrant entitles the holder thereof to purchase one additional common share in the capital of the Company (each, a "FT Warrant Share") for a period of two years from the Closing Date at an exercise price of \$0.22 per FT Warrant Share.

The Company paid cash finder's fees of \$217,137 and issued 1,543,157 broker warrants (each, a "Broker Warrant") to certain finders. Each Broker Warrant entitles the holder thereof to purchase one additional common share in the capital of the Company (each, a "Broker Warrant Share") for a period of two years from the Closing Date at an exercise price of \$0.12 per Broker Warrant Share.