Southern Arc
MINERALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED
JUNE 30, 2023 AND 2022

(Expressed in Canadian dollars)

This Management's Discussion and Analysis ("MD&A"), prepared as of October 30, 2023, should be read in conjunction with the financial statements of Southern Arc Minerals Inc. ("Southern Arc" or the "Company") for the year ended June 30, 2023 and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated. Additional information related to the Company can be found on SEDAR+ at www.sedarplus.ca and on the Company's website at www.southernarcminerals.com.

Statements in this MD&A that are not historical facts are "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. Readers are cautioned not to put undue reliance on forward-looking statements.

COMPANY OVERVIEW

Southern Arc was incorporated in British Columbia, Canada on August 19, 2004. The Company is a Canadian company focused on creating value through project generation and strategic investments in mineral resource companies with a focus on gold and copper-gold. The Company's head office is located at Suite 650 - 669 Howe Street, Vancouver, British Columbia, Canada, V6C 0B4.

The Company is listed on the NEX board of the TSX Venture Exchange under the symbol "SA.H". To date, the Company has not generated revenues from operations and is focused on creating value through project generation and strategic investments in mineral resource companies with a focus on gold and copper-gold.

The Company's business plan is to make strategic investments in resource companies with a focus on gold and copper-gold. Based on current plans, the Company has sufficient capital to finance its general and administrative expenses and other current obligations for the next twelve-month period. However, the Company expects that it will require additional debt or equity funding in the future in order to maintain current operations and to fund future investments or exploration projects. The Company's ability to continue as a going concern is dependent on its ability to successfully raise additional funds. While the Company has been successful at securing financing in the past, there can be no assurance that it will be able to do so in the future.

As at the date of this MD&A, the Company has 22,898,283 common shares issued, of which 22,768,283 are outstanding and 130,000 are treasury shares.

FINANCIAL SNAPSHOT

		June 30, 2023		June 30, 2022		June 30, 2021
Total assets	**$**	**465,574**	$	1,153,454	$	2,564,390
Working capital		**423,149**		1,100,148		1,452,975
Total liabilities		**69,047**		49,871		61,242
Net (loss) income		**(404,083)**		(1,399,420)		5,274,035
Basic and diluted (loss) income per share	**$**	**(0.02)**	$	(0.06)	$	0.22
Comprehensive (loss) income		**(707,056)**		(1,399,565)		6,270,158

As at June 30, 2023, the Company's working capital consisted of the Company's current assets including the Company's investments in shares and warrants of Japan Gold Corp., Rise Gold Corp. and Adriatic Metals Plc., net of current liabilities. The change in assets and working capital in 2023 decreased compared to 2022 due to the decrease in share price of Rise Gold and operating expenses throughout the year. The change in total assets and working capital in the previous year ended 2022 and 2021 was due to the sale of the Company's investment in PT Ancora Indonesia Resources Tbk. and Adriatic Metals Plc., along with the decrease in value (due to the nearing expiry date and decreased share price) of the Company's investment in Japan Gold Corp. warrants in 2022. The proceeds from the sale of investments were used to fund operating activities in 2022. Net loss and comprehensive loss were higher in 2022 compared to 2023 due to the unrealized loss in Japan Gold warrants. On October 16, 2020, the Company distributed certain of its investment securities with a carrying value of $13,345,231 to the shareholders of the Company which resulted in a gain of $6,743,518 being recorded in net income and comprehensive income.

RECENT EVENTS

On January 24, 2023, the Company subscribed for 1,000,000 units in the private placement offering of Rise Gold Corp. ("Rise Gold") for a total investment of $534,800 (US$400,000). Each purchased unit is comprised of one common share of Rise Gold and one half of one purchase warrant. Each whole purchase warrant entitles the Company to purchase an additional common share of Rise Gold at US$0.60 per share until January 31, 2025.

On August 9, 2022, a total of 12,500,000 Japan Gold Corp. ("Japan Gold") warrants with an exercise price of $0.40 expired unexercised.

SUMMARY OF QUARTERLY RESULTS

	June 30, 2023	March 31, 2023*	December 31 2022	September 30, 2022
Total assets	$465,574	$1,122,894	$1,004,633	$1,108,327
Working capital	423,149	1,088,842	964,993	1,048,091
Net loss	(146,731)	(102,558)	(89,789)	(65,005)
Basic and diluted loss per share	(0.02)	(0.00)	(0.00)	(0.00)
Comprehensive income (loss)	(587,820)	16,323	(83,300)	(52,259)

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Total assets	$1,153,454	$1,399,131	$1,835,510	$2,099,674
Working capital	1,100,148	1,349,070	1,795,624	2,031,435
Net loss	(225,919)	(453,182)	(234,713)	(485,606)
Basic and diluted loss per share	(0.01)	(0.02)	(0.01)	(0.02)
Comprehensive loss	(249,123)	(446,757)	(236,013)	(467,672)

*March 31, 2023 numbers have been restated on page 10.

Changes above are as follows:

Total assets and working capital

- From September 30, 2021 to June 30, 2022, investments decreased from $657,778 to $76,662 primarily due to the expiry of the Company's investment in Japan Gold warrants (which expired unexercised on August 9, 2022). The fair value of the Japan Gold warrants decreased by $563,035. As at September 30, 2021, the Company had a cash balance of $1,400,308 of which $451,517 was used to fund the Company's operating activities for the 2022 year. This resulted in the decrease in total assets and working capital in 2022.

- From December 31, 2022 to March 31, 2023, total assets increased as the Company invested in a private placement of Rise Gold. The Company recorded a higher accounting fair value (over acquisition cost) in its investment of Rise Gold, which also includes a higher accounting fair value (over acquisition cost) in its investment in Rise Gold warrants as at March 31, 2023. As at June 30, 2023, the value of the investment in the common shares and warrants of Rise Gold decreased due to the decrease in Rise Gold share price. The decrease in the fair value of the Rise Gold shares appears to have been primarily caused by the findings of the Nevada Planning Commission to not recommend a use permit be issued to Rise Gold, which reduced the value of the investment in both Rise Gold common shares and warrants. From March 31, 2023 to June 30, 2023, the fair value of the Rise Gold common shares decreased from $676,377 to $187,888. This resulted in a loss of $488,489 which impacted total assets and working capital.

Net loss and comprehensive loss

- During the quarter ended September 30, 2021, the Company recognized a higher unrealized loss on its investment in Japan Gold warrants of $391,348 due to a decrease in the value of the Japan Gold warrants. In December 2021, the unrealized loss for the same warrants were less than the previous quarter. During the quarter ended March 31, 2022, there was a further decrease in the fair value of the Japan Gold warrants, which along with the shortened time to exercise, resulted in the warrants being fair valued at $152,435 (compared to $564,037 at September 30, 2021). This resulted in an unrealized loss on investments of $310,015 for the quarter ended March 31, 2022. For the quarter ended June 30, 2022, the Company's investment in Japan Gold warrants were revalued to $1,002, and the Company recognized an additional $151,433 in unrealized loss in the quarter ended June 30, 2022.

- The loss recognized in Q4, 2022 (compared to Q1 and Q2, 2023) was primarily due to a loss of $151,433 related to the decrease in fair value related to the investment in Japan Gold warrants. Comprehensive income recognized in the quarter ended March 31, 2023, was a result of an unrealized gain recognized on the Company's investment in Rise Gold common shares as the accounting fair value was more than the acquisition cost. A deferred gain of $146,921 on the Rise Gold common shares was amortized over the four month hold period of those shares to comprehensive income and a deferred gain of $37,152 on the Rise Gold warrants is being amortized over the two year contractual life of those warrants to net loss. As a result, the Company recorded comprehensive income in the quarter ended March 31, 2023.

- From March 31, 2023 to June 30, 2023, comprehensive loss has decreased from recognizing an income of $16,323 to a loss of $587,820. This is mainly due to the change in fair value of investments and amortization of deferred gain on common shares. In June 30, 2023, the change in fair value of investments was a loss of $599,474 primarily as a result of the decrease in the Rise Gold share price as explained above (March 31, 2023: gain of $757,407). In the three months ended June 30, 2023, the amortization of deferred gain on common shares was $72,888 (three months ended March 31, 2023: $74,032).

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2023

During the three-month period ended June 30, 2023, the Company had a net loss of $146,731 compared to a net loss of $225,919 for the three-month period ended June 30, 2022. Significant fluctuations occurred in the following categories:

- The Company recognized an unrealized loss on its investment in Rise Gold warrants of $85,495 (June 30, 2022: loss of $151,433 as described above). The loss was largely due to the decrease in the fair value of the Rise Gold shares which appears to have been primarily caused by the findings of the Nevada Planning Commission to not recommend a use permit be issued to Rise Gold, which reduced the value of the investment in both Rise Gold common shares and warrants.
- The Company also scaled back expenditures in Q4, 2023 to manage liquidity.
- The Company recognized comprehensive loss of $587,820 (June 30, 2022: $249,123). This is mainly due to the change in fair value of investments and amortization of deferred gain on common shares. As at June 30, 2023, the change in fair value of investments was a loss of $599,474 (June 30, 2022: loss of $23,204). During the three months ended June 30, 2023, the amortization of deferred gain on common shares was $72,888 (June 30, 2022: $Nil).$

RESULTS OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2023

During the year ended June 30, 2023, the Company had a net loss of $404,083 compared to net loss of $1,399,420 for year ended June 30, 2022. Significant fluctuations occurred in the following categories:

- The Company recognized an unrealized loss on its investment in warrants of $92,814 (June 30, 2022: loss of $954,383). The loss was largely due to the decrease in the fair value of the Rise Gold shares which appears to have been primarily caused by the findings of the Nevada Planning Commission, which reduced the value of the investment in both Rise Gold common shares and warrants. In the previous year ended June 30, 2022, the Company recognized $954,383 in unrealized loss on investments from the decrease in fair value related to the Company's investment in Japan Gold warrants, which expired unexercised in July 2022.
- The Company recognized comprehensive loss of $707,056 (June 30, 2022: $1,399,565). This is mainly due to the change in fair value of investments and amortization of deferred gain on common shares. As at June 30, 2023, the change in fair value of investments was a loss of $449,894 (June 30, 2022: loss of $145). During the year ended June 30, 2023, the amortization of deferred gain on common shares was $146,921 (June 30, 2022: $Nil).

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position at June 30, 2023 was $183,800 compared to $1,045,281 at June 30, 2022. As at June 30, 2023, the Company's working capital was $423,149 compared to a working capital of $1,100,148 at June 30, 2022. This decrease is mainly due to the decrease in the Company's investment in Rise Gold as Rise Gold saw a large decrease in its share price due to the decision by the Nevada Planning Commission to not recommend that a use permit be issued to Rise Gold.

Net cash used in operating activities for the year ended June 30, 2023 was $360,961 compared to cash used in operating activities of $433,794 during the year ended June 30, 2022. This decrease is due to lower expenses incurred in office costs, management and professional fees because management is focusing on maintaining the Company's liquidity.

Net cash used in investing activities during the year ended June 30, 2023 was $534,800 for the purchase of Rise Gold units (June 30, 2022: $866,728 from investing activities due to the sale of the Company's Ancora and Adriatic shares during the year ended June 30, 2022). The Chief Executive Officer ("CEO") of the Company is also a director of Rise Gold and the Chief Financial Officer ("CFO") of the Company is also the CFO of Rise Gold. The CEO participated in the Rise Gold financing in a personal capacity along with other third party investors.

There were no financing activities during the years ended June 30, 2023 and 2022.

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company does not currently generate any revenues or have operations that generate cash flows. Accordingly, the Company relies on funding received from the sale of investments and financing received from the issuance of common shares or loans and borrowings to finance its strategic investment activities and general and administrative costs. On October 16, 2020, the Company distributed certain of its investment securities with a carrying value of $13,345,231 to the shareholders of the Company. Subsequent to the distribution, the Company's business plan is to continue making strategic investments in resource companies with a focus on gold and copper-gold. Based on current plans, the Company has sufficient capital to finance its general and administrative expenses and other current obligations for the next twelve-month period. However, the Company will be required to obtaining additional financing in order to fund additional investments or exploration projects. While the Company has been successful at securing financing in the past, there can be no assurance that it will be able to do so in the future. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS

Key management and personnel compensation

Key management personnel include the directors and officers of the Company.

Key management compensation during the year ended June 30, 2023 consisted of management fees of $220,000 (June 30, 2022 - $240,000) respectively which was paid to two private companies controlled by the CEO and Chairman of the Company. Management fees include administrative, finance, accounting, investor relations and consulting services.

The Company also reimbursed a private company controlled by the CEO and Chairman of the Company $27,500 in occupancy costs (2022 - $32,833). As at June 30, 2023, the Company had a deposit balance of $4,706 (June 30, 2022 - $4,706) for its occupancy costs.

The above transactions are recorded at the consideration established and agreed to by the related parties.

CURRENT SHARE DATA

As at the date of this MD&A, the Company has 22,898,283 common shares issued, of which 22,768,283 are outstanding and 130,000 are treasury shares.

As at June 30, 2023 and the date of this MD&A, the Company has no share options or share purchase warrants outstanding.

RISKS AND UNCERTAINTIES

The Company's business could be significantly adversely affected by the effects of any widespread global outbreak of contagious diseases. A significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downtown that could affect demand for the Company's products and likely impact operating results. The Company cannot accurately predict the impacts of these events on the Company's business, including its ability to obtain financing or third parties' ability to meet their obligations with the Company, as well as due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

The nature of the Company's operations exposes the Company to credit risk, liquidity risk, market risk and geopolitical risk, which may have a material effect on cash flows, operations, comprehensive income and ability to raise funding.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

Credit risk

Credit risk is the risk of financial loss associated with a counterparty's inability to fulfil its payment obligations and arises primarily from the Company's financial assets. The Company is primarily exposed to credit risk on its cash and cash equivalents and accounts receivable. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of these financial assets represents the maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short term business requirements after taking into account the Company's cash and cash equivalents. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on the Company's cash is minimal. The Company is subject to foreign currency fluctuations primarily on its cash denominated in a currency other than the Canadian dollar. As at June 30, 2023, every 1% of change in foreign exchange rate in either direction would result in change in net loss of approximately $1,566. The quoted market price of Japan Gold, Rise Gold and Adriatic shares are subject to fluctuations and this impacts other comprehensive income. A 1% change (plus or minus) in the price of these shares would change the fair value of the common shares and other comprehensive income by approximately $2,521. A 1% change (plus or minus) in the market price used in the valuation of the Company's investment in warrants would change the fair value of the warrants and net loss by $109.

Other risk factors

Ability to raise funding

The Company has no revenues from operations and expects to incur operating losses in future periods due to expenses associated with advancing its mineral projects, seeking new business opportunities and working capital costs. The Company has finite financial resources and its ability to advance new business opportunities will depend significantly upon its ability to secure near and long-term financing. There are no assurances that any financing alternative will be successful or that financing will be available at all or acceptable terms. These financing requirements will result in dilution of existing shareholders and the inability to obtain such financing may result in delay or postponement of the Company's activities.

Geopolitical risk

The Company recognizes the inherent uncertainties associated with geopolitical risks. Events such as trade disputes, changes in government policies, and regional conflicts may adversely impact various sectors of the economy, including but not limited to, financials, energy, metals and mining. These risks may result in disruptions to supply chains and fluctuations in currency exchange rates. As a result, the Company's business, financial condition, and results of operations may be negatively affected by economic and other consequences from geopolitical developments.

Climate change risk

The Company acknowledges the importance of addressing climate change risks. Environmental concerns, regulatory changes, and shifting consumer preferences toward sustainability could impact the Company's operations and business. Physical climate change risks such as extreme weather events and transition risks related to regulatory shifts and market preferences are considerations. The Company is committed to evaluating and managing our environmental footprint, pursuing sustainable practices to minimize environmental impact and staying informed about evolving climate-related regulations.

Global economic conditions

The unprecedented events in global financial markets in the past several years have impacted the global economy where many industries, including the mining industry, are impacted by these market conditions. Market events and conditions, including disruptions in the international credit markets and other financial systems could impede the Company's access to capital or increase the cost of capital which may adversely affect the Company's operations.

CRITICAL ACCOUNTING POLICIES

Reference should be made to the Company's significant accounting policies contained in Note 2 of the Company's audited financial statements as at June 30, 2023 and 2022. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

Significant accounting judgements and estimates

The preparation of these financial statements requires management to make certain estimates, judgements 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. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future conditions and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, the valuation of investments in warrants which requires estimates of volatility and discount rates. These assumptions affect the fair value of these investments in warrants and the related unrealized gains (losses) on investments.

Critical accounting judgements

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments. The Company's assessment of its ability to continue as a going concern requires judgements about whether sufficient financing will be obtained as required.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, the Company's management cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the fact that judgements in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, through collusion of two or more people, or by unauthorized override of the control. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. The Company's officers are not required to certify the design and evaluation of the Company's disclosure controls and procedures and internal controls over financial reporting and have not completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipates", "plans", "budget", "scheduled", "continue", "estimates", "forecasts", "expect", "is expected", "project", "propose", "potential", "targeting", "intends", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" or the negative connotation thereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by readers, as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following:, treatment under governmental and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company on its projects and work plans to be conducted.

With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- *unknown impact related to potential business disruptions stemming from infectious disease outbreak, or geopolitical conflicts;*
- *the impact of increasing competition;*
- *unpredictable changes to the market prices for gold, copper and other commodities;*
- *availability of additional financing and farm-in or joint-venture partners;*
- *the Company's ability to sell the securities in its investments for a profit, or at all;*
- *the Company's ability to obtain additional financing on satisfactory terms or at all.*

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A: volatility in the market price for minerals; uncertainties associated with estimating resources; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral and oil and gas operations; fluctuations in currencies and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and farm-in or joint venture partners and unpredictable weather conditions. Although the Company has attempted to identify important factors that *could cause results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Readers are cautioned that the foregoing lists of factors are not exhaustive. Forward looking statements are made as of the date hereof and accordingly are subject to change after such date. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.*

Restatement of the Company's quarterly financial statements as at and for the three months ended March 31, 2023

The Company's previously reported quarterly financial statements as at and for the three months ended March 31, 2023 did not appropriately account for the Rise Gold units purchased in January 2023. The previously reported quarterly financial statements as at and for the three months ended March 31, 2023 did not appropriately determine the fair value on acquisition and at period end. The implied liquidity discount for the four-month hold period on the Rise Gold common shares and warrants were not considered in determining the fair value, and the gain recognized on the transaction was not appropriately measured and recognized on acquisition date and at period end. For further details of the transaction, please refer to note 3 of the accompanying annual financial statements of the Company as at and for the year ended June 30, 2023.

As such, and as shown in the table below, the previously reported amounts in the statement of financial position as at March 31, 2023 and previously reported amounts in the statements of net loss, and comprehensive loss, for the three months ended March 31, 2023 and the statement of cash flows for the nine months ended March 31, 2023 have been restated.

Statement of financial position as at March 31, 2023	Investments	Total assets	Deferred gain on investment	Total liabilities	Accumulated other comprehensive loss	Deficit	Total shareholders' equity
Previously reported	$990,726	$1,261,317	$ -	$31,223	$(73,890)	$(88,308,169)	$1,230,094
Adjustment	(138,423)	(138,423)	107,323	107,323	2,925	(248,670)	(245,745)
As restated	$852,303	$1,122,894	$107,323	$138,546	$(70.965)	$(88,556,839)	$984,349

Statement of net loss for the three months ended March 31, 2023	Foreign exchange (gain) loss	Loss before other items	Realized and unrealized gain (loss) on investments	Amortization of deferred gain on warrants	Total of other income	Net income (loss) for the period	Basic and diluted income (loss) per share
Previously reported	$(60,443)	$(38,372)	$179,873	$ -	$184,484	$146,112	$0.01
Adjustment	65,200	(65,200)	(187,092)	3,622	(183,470)	(248,670)	(0.01)
As restated	$4,757	$(103,572)	$(7,219)	$3,622	$1,014	$(102,558)	$(0.00)

Statement of comprehensive income for the three months ended March 31, 2023	Net income (loss) for the period	Change in value of investments	Amortization of deferred gain on common shares	Total comprehensive income for the period
Previously reported	$146,112	$115,958	$ -	$262,070
Adjustment	(248,670)	(71,107)	74,032	(245,745)
As restated	$(102,558)	$44,851	$74,032	$16,325

Statement of cash flows for the nine months ended March 31, 2023	Net income (loss) for the period	Unrealized (gain) loss on investments	Unrealized foreign exchange (gain) loss	Net cash used in operating activities	Net cash used in investing activities	Effect of foreign exchange on cash
Previously reported	$(8,682)	$(178,871)	$ -	$(205,989)	$(600,000)	$ -
Adjustment (a)	(248,670)	183,471	(38,252)	(103,452)	65,200	38,252
As restated	$(257,352)	$4,600	$(38,252)	$(309,441)	$(534,800)	$38,252

(a) In addition to the restatements as described above, the Company previously presented $38,252 of foreign exchange on US$ cash balances as an operating activity cashflow when it should have been presented as the effect of foreign exchange on cash in the statement of cashflows.