SEARCH MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 2022 and 2021

(Expressed in Canadian dollars)

Search Minerals Inc.

Consolidated Financial Statements

Years ended November 30, 2022 and 2021
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Search Minerals Inc.**

Opinion
We have audited the consolidated financial statements of **Search Minerals Inc.** (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2022 and 2021, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audits 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 Consolidated financial statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 2 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significate doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Shaohua Huang.

Mao & Ying LLP

Vancouver, Canada,
March 30, 2023

Chartered Professional Accountants

SEARCH MINERALS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at November 30, 2022 and 2021
(Expressed in Canadian dollars)

	Notes	**2022** **$**	2021 $
ASSETS			
Current assets			
Cash		**457,537**	1,618,223
Receivables	**6**	**749,475**	133,122
Prepaid expenses and other assets		**76,691**	235,511
		1,283,703	1,986,856
Non-current assets			
Property and equipment	**7**	**803,821**	334,261
Reclamation deposits		**50,000**	50,000
Staking deposits		**27,450**	27,450
Exploration and evaluation expenditures (Schedule 1)	**8**	**27,123,829**	19,248,477
		29,288,803	21,647,044
LIABILITIES AND EQUITY ATTRIBUTABLE TO SHAREHOLDERS			
Current liabilities			
Trade payables	**9**	**2,120,500**	529,155
Due to related parties	**9,13**	**69,454**	153,825
Flow-through premium liability	**12(b)**	**40,878**	-
		2,230,882	682,980
Non-current liabilities			
CEBA loan	**10**	**80,000**	80,000
Deferred government assistance	**10**	**40,000**	40,000
		2,350,882	802,980
Equity attributable to shareholders			
Share capital	**12**	**43,756,616**	37,439,531
Warrants		**519,820**	610,828
Contributed surplus		**6,201,777**	4,762,993
Deficit		**(23,540,292)**	(21,969,288)
		26,937,921	20,844,064
		29,288,803	21,647,044

Nature of Operations (Note 1)
Going Concern (Note 2)
Subsequent Events (Notes 12(c) and 17)

Approved by the Board of Directors on March 30, 2023

"Jocelyn Bennett" Director — *"Leo Power"* Director

Jocelyn Bennett — Leo Power

SEARCH MINERALS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the years ended November 30, 2022 and 2021
(Expressed in Canadian dollars)

	Notes	2022 $	2021 $
GENERAL AND ADMINISTRATIVE EXPENSES			
Accounting and audit		**112,739**	104,380
Administration and management fees	**13**	**280,000**	346,667
Amortization	**7**	**165,538**	60,632
Consulting fees	**13**	**133,117**	140,500
Legal fees		**54,301**	110,828
Non-executive directors fees	**13**	**138,000**	85,500
Office and miscellaneous		**172,917**	86,428
Regulatory and transfer agent fees		**116,749**	78,240
Rent		**28,573**	21,349
Share-based compensation – stock options	**12(c)**	**1,414,674**	930,159
Shareholder communications		**134,454**	32,989
Travel and accommodation		**85,264**	14,464
Loss for the year before other items		**(2,836,326)**	(2,012,136)
Other income (expense) items			
Flow-through premium income	**12(b)**	**1,265,322**	-
Accretion expense	**11**	**-**	(14,443)
Finance charges on leases		**-**	(279)
Interest expense	**11**	**-**	(30,895)
Loss on debt settlement	**11**	**-**	(16,831)
Loss and comprehensive loss for the year		**(1,571,004)**	(2,074,584)
Basic and diluted loss per share	**12(e)**	**(0.00)**	(0.01)
Weighted average number of common shares outstanding – basic and diluted		**401,209,043**	314,419,475

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

SEARCH MINERALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended November 30, 2022 and 2021
(Expressed in Canadian dollars)

	2022 **$**	2021 $
Cash (used in) provided by		
OPERATING ACTIVITIES		
Loss for the year	**(1,571,004)**	(2,074,584)
Items not affecting operating cash:		
Amortization	**165,538**	60,632
Share-based compensation – stock options	**1,414,674**	930,159
Flow-through premium income	**(1,265,322)**	-
Accretion expense	**-**	14,443
Loss on debt settlement	**-**	16,831
	(1,256,114)	(1,052,519)
Changes in non-cash working capital items:		
Receivables	**(558,884)**	(117,419)
Prepaid expenses and other assets	**158,820**	(205,305)
Accounts payable and accrued liabilities	**(96,225)**	(463,228)
	(1,752,403)	(1,838,471)
INVESTING ACTIVITIES		
Mineral property costs, net	**(6,670,624)**	(3,180,893)
Purchase of property and equipment	**(355,353)**	(363,484)
	(7,025,977)	(3,544,377)
FINANCING ACTIVITIES		
Issuance of common shares	**7,802,869**	7,418,441
Share issuance costs	**(351,232)**	(206,529)
Proceeds from CEBA loan	**-**	40,000
Proceeds on issuance of promissory note	**-**	146,706
Repayment of promissory note	**-**	(196,706)
Repayment of demand loans	**-**	(370,000)
Principal repayment of lease obligation	**-**	(7,974)
Government assistance	**166,057**	76,336
	7,617,694	6,900,274
(Decrease) increase in cash during the year	**(1,160,686)**	1,517,426
Cash, beginning of the year	**1,618,223**	100,797
Cash, end of the year	**457,537**	1,618,223
Cash paid for interest	**-**	36,351
Cash paid for income taxes	**-**	-

Non-cash Transactions (Note 16)

SEARCH MINERALS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended November 30, 2022 and 2021
(Expressed in Canadian dollars)

	Number of Shares #	Share Capital $	Warrants $	Contributed Surplus $	Deficit $	Total $
Balance, November 30, 2020	265,927,072	26,806,950	641,390	4,051,191	(19,894,704)	11,604,827
Issued during the year:						
For cash pursuant to private placement of units	33,900,000	2,195,000	89,000	-	-	2,284,000
For cash pursuant to flow through common shares	14,000,000	2,520,000	-	-	-	2,520,000
Less: Issue costs – cash	-	(206,529)	-	-	-	(206,529)
Less: Issue costs – finders' warrants	-	(32,955)	32,955	-	-	-
Pursuant to mineral property agreements	15,850,000	3,171,750	-	-	-	3,171,750
Pursuant to exercise of options	5,600,000	448,000	-	-	-	448,000
Pursuant to exercise of warrants	28,741,205	2,166,441	-	-	-	2,166,441
Share-based payments	-	-	-	930,159	-	930,159
Transfer on exercise of warrants and options	-	370,874	(112,691)	(258,183)	-	-
Transfer on expiry of warrants	-	-	(39,826)	39,826	-	-
Comprehensive loss for the year	-	-	-	-	(2,074,584)	(2,074,584)
Balance, November 30, 2021	364,018,277	37,439,531	610,828	4,762,993	(21,969,288)	20,844,064
Issued during the year:						
For cash pursuant to private placement of units	9,206,890	1,657,240	-	-	-	1,657,240
For cash pursuant to flow through common shares	18,660,000	4,665,000	-	-	-	4,665,000
Less: allocation to flow-through premium	-	(1,306,200)	-	-	-	(1,306,200)
Less: Issue costs – cash	-	(351,232)	-	-	-	(351,232)
Less: Issue costs – finders' warrants	-	(50,780)	50,780	-	-	-
Pursuant to mineral property agreements	850,000	104,750	-	-	-	104,750
Pursuant to exercise of warrants	21,701,847	1,476,629	-	-	-	1,476,629
Pursuant to exercise of options	50,000	4,000	-	-	-	4,000
Transfer on exercise of warrants	-	116,875	(116,875)	-	-	-
Transfer on exercise of options	-	803	-	(803)	-	-
Transfer on expiry of warrants	-	-	(24,913)	24,913	-	-
Share-based payments	-	-	-	1,414,674	-	1,414,674
Comprehensive loss for the year	-	-	-	-	(1,571,004)	(1,571,004)
Balance, November 30, 2022	**414,487,014**	**43,756,616**	**519,820**	**6,201,777**	**(23,540,292)**	**26,937,921**

1. Nature of Operations

Search Minerals Inc. (the “Company”) was incorporated under the provisions of the Business Corporation Act (British Columbia) on June 7, 2006. On May 3, 2007, the Company commenced trading on the TSX Venture Exchange (the “TSX-V”) under the trading symbol “SMY.V”. On July 7, 2021, the Company commenced trading on the OTCQB® Venture Market in the United States operated by the OTC Markets Group Inc. under the stock symbol “SHCMF”. The Company is in the business of mineral exploration involving acquiring, exploring and evaluating mineral resource properties. At November 30, 2022, the Company was in the exploration and evaluation stage and had properties located in Canada. The Company has completed a Preliminary Economic Assessment which was filed on www.sedar.com on July 22, 2022. The Company’s corporate head office is located at 1100 – 1199 West Hastings Street, Vancouver, British Columbia, Canada.

The Company is currently exploring its mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The amounts shown as mineral properties represent costs incurred to date, less amounts recovered from third parties and/or written-down, and do not necessarily represent current or future fair values.

2. Going Concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration programs, will result in profitable mining operations. The recoverability of the carrying value of exploration and development properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

At November 30, 2022, the Company had not yet achieved profitable operations, had an accumulated deficit of $23,540,292 since inception and expects to incur further losses in the development of its business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. At November 30, 2022, the Company had working capital deficit of $947,179. The above factors may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. Refer to Note 17, subsequent events.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

3. Basis of Presentation and Significant Accounting Policies

These consolidated financial statements, including comparatives have been prepared using International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments recorded at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting. The policies applied in these consolidated financial statements are based on IFRS in effect as of November 30, 2022.

Unless otherwise stated, all dollar amounts are in Canadian dollars.

These consolidated financial statements were approved by the Board of Directors on March 30, 2023.

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

(Expressed in Canadian dollars)

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidies. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Details of the subsidiaries are as follows:

		Percentage owned	
	Incorporated in	**November 30, 2022**	**November 30, 2021**
Alterra Resources Inc.	Canada	100%	100%
86857 Newfoundland & Labrador Inc. (inactive)	Province of Newfoundland and Labrador	100%	100%

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks and all investments that are highly liquid in nature and are redeemable for cash within three months or less, at acquisition. As at November 30, 2022 and 2021, none of the Company's cash was considered to be cash equivalents. As at November 30, 2022, cash of $178,571 (2021: $117,888) was deposited in a third party organization who is not a financial institution.

Equipment and amortization

The Company records its acquisition of equipment at cost. The Company provides for amortization, once the assets are in use, over their estimated useful lives on the declining balance method at a rate of 30% per year for vehicles, 20% per year for buildings, 20% to 55% per year for office furniture and equipment and 40% per year for field equipment.

Leases

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

Lease liabilities are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

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

Exploration and evaluation expenditure

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties within exploration and evaluation expenditures, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the income or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in income or loss.

Decommissioning and restoration provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development 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, along with a corresponding liability as soon as the legal or constructive obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of facts such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax risk-free rate that reflects the time value of money are used to calculate the net present value. These costs are charged against income or loss over the economic life of the related asset, through amortization using the unit-of production method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in income or loss.

Decommissioning costs are also adjusted for changes in estimates or changes in applicable discount rates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in income or loss.

The operations of the Company may in the future be affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

As of November 30, 2022 and 2021, the Company does not have material decommissioning costs.

Financial assets and liabilities

a) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	Financial asset at amortized cost
Trade payables	Financial liability at amortized cost
Due to related parties	Financial liability at amortized cost
Promissory note payable	Financial liability at amortized cost
CEBA loan	Financial liability at amortized cost

b) Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

c) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

d) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss) or are recycled to (loss) income.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity. Expired warrants are reclassified to contributed surplus.

The Company has adopted a residual method with respect to the measurement of shares and warrants issued as units. The residual method first allocates fair value to the component with the best evidence of fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued was determined to be the component with the best evidence of fair value. The balance, if any, was allocated to the attached warrants.

Income taxes

Income tax on the income or loss for the periods presented comprises current and deferred tax. Income tax is recognized in income or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

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 Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures 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 balance sheet 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 incomes 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.

Basic and diluted loss per share

Basic earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

Foreign currencies

The financial statements for the Company and its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is Canadian dollars. The functional currency of Search Minerals Inc., Alterra Resources Inc. and 86857 Newfoundland & Labrador Inc. is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statement of operations.

Share-based payments

The fair value of all stock options granted is recorded as a charge to operations with a credit to contributed surplus. The fair value of the stock options is recorded to share-based payments expense over the vesting period. Stock options granted are measured at their fair value on the grant date. Warrants issued to brokers are measured at their fair value on the grant date and are recognized as a deduction from equity and credited to contributed surplus. The fair value of stock options and warrants are estimated using the Black-Scholes option pricing model.

Any consideration received on the exercise of stock options or warrants together with the related portion of contributed surplus is credited to share capital.

Research and development costs

All research and development costs are expensed when incurred unless they meet specific criteria for deferral and amortization. The Company reassesses whether it has met the relevant criteria for deferral and amortization at each reporting date. Development costs deferred are not amortized until completion of the related development project.

Government assistance

The Company receives assistance from the government as part of the exploration and evaluation of mineral assets. The Company records government assistance as a reduction in exploration and evaluation assets.

4. New and future accounting standards and pronouncements

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

5. Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to use judgement in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgements are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ materially from these estimates.

Critical accounting judgements:
(i) The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year. The factors considered by management are disclosed in Note 2.
(ii) Management assesses capitalized exploration and evaluation costs for impairment when facts and circumstances suggest that the carrying amount of any such assets may exceed their recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present and disclose any resulting impairment. The determination of whether an impairment has occurred requires highly subjective assumptions.

Critical accounting estimates:
(i) None.

6. Receivables

	November, 2022 $	November 30, 2021 $
GST receivable	**682,006**	95,032
Other receivables	**67,469**	38,090
Total receivables	**749,475**	133,122

(Expressed in Canadian dollars)

7. Property and Equipment

	Vehicles $	Buildings $	Office furniture and equipment $	Field equipment $	Total $
At November 30, 2020					
Cost	136,676	280,800	40,825	214,645	672,946
Accumulated amortization	(109,586)	(70,800)	(40,825)	(210,326)	(431,537)
Net book value	27,090	210,000	-	4,319	241,409
Year ended November 30, 2021					
Additions	117,187	215,633	12,993	17,671	363,484
Disposal	-	(210,000)	-	-	(210,000)
Amortization	(13,328)	(43,128)	(240)	(3,936)	(60,632)
At November 30, 2021	130,949	172,505	12,753	18,054	334,261
At November 30, 2021					
Cost	253,863	225,633	53,818	232,316	765,630
Accumulated amortization	(122,914)	(53,128)	(41,065)	(214,262)	(431,369)
Net book value	130,949	172,505	12,753	18,054	334,261
Year ended November 30, 2022					
Additions	228,511	232,279	135,749	38,559	635,098
Amortization	(63,415)	(57,948)	(26,702)	(17,473)	(165,538)
At November 30, 2022	296,045	346,836	121,800	39,140	803,821
At November 30, 2022					
Cost	482,374	457,912	189,567	270,875	1,400,728
Accumulated amortization	(186,329)	(111,076)	(67,767)	(231,735)	(596,907)
Net book value	296,045	346,836	121,800	39,140	803,821

8. Mineral Properties – Schedule 1

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements. The Company is not aware of any disputed claims of title.

The Company acquired the mineral properties primarily by staking the claims. In order to maintain title to the claims, the Company must incur minimum exploration expenditures per claim as specified by the Mineral Act of the Province of Newfoundland and Labrador. In lieu of incurring the minimum expenditures, the Company may make security deposits with the Government of Newfoundland and Labrador. Other commitments relating to mineral properties are as follows:

Critical Rare Earth Element ("CREE") District, Labrador

The Company acquired the CREE District primarily by staking the claims. In addition, the Company acquired the B&A Claims, the Quinlan Property and the Two Tom Property.

B&A Claims

On December 10, 2009, the Company entered into a binding letter of intent (the "LOI") with B&A Minerals Limited ("B&A"), further defined in a Mining Option Agreement, for an option to acquire an undivided 100% interest in and to certain claims in southeast Labrador owned by B&A ("B&A Claims"). The B&A claims host the Company's Foxtrot Project.

Under the terms of the Mining Option Agreement, to earn the undivided 100% interest in the B&A Claims, the Company paid B&A an aggregate of $140,000 and issued an aggregate 1,100,000 common shares of the Company. The final payment and share issuance was made in January 2013. The Company now owns a 100% interest in the property.

The Mining Option Agreement was subject to a 3% net smelter return ("NSR") royalty in favor of B&A, of which the Company could purchase 2% at any time for $2,000,000 (see B&A Transaction).

B&A Transaction

B&A Minerals Limited held a 3% NSR royalty over the licenses contained in a large portion of the Company's Critical Rare Earth Element District in SE Labrador. On August 11, 2021, the Company entered into a non-binding letter of intent ("LOI") to purchase a 2.5% NSR from B&A for 15,000,000 common shares. Additionally, the Company will acquire 3 full licenses from B&A and partial interest in two licenses. The Company will transfer one license to B&A and retain a 0.5% NSR. The Company will grant a 0.5% NSR over the five licenses above. The Company will grant B&A quarry/gem rights over four of the licenses to be transferred to the Company as part of the transaction in exchange for a 3% NSR to Search over any production from such quarry/gem rights. On September 30, 2021, a definitive agreement was entered into and on October 13, 2021, the TSX-V provided approval of the acquisition. The B&A transaction closed on November 30, 2021 with the issuance of 15,000,000 common shares at the fair value of $3,000,000. The 15,000,000 common shares are restricted and will be released over 24 months, with 25% being released every 6 months following the closing of the transaction.

B&A Minerals now holds a 0.5% NSR royalty in certain licenses contained in the Company's CREE District.

Quinlan Property

On January 13, 2011, the Company entered into a binding letter of intent (the "LOI") with Andrew Quinlan, Roland Quinlan and Tony Quinlan (the "Vendors"). Pursuant to the LOI, the Company had the option to earn an undivided 100% interest in and to certain claims owned by the Vendors known as the Fox Harbour Claims (the "Quinlan Property"). The Quinlan Property is comprised of three licenses totaling 48 claims located east of St. Lewis, Labrador. The Quinlan Property hosts the Company's Deep Fox Project.

Under the terms of the LOI, the Company earned an undivided 100% interest in Quinlan Property by making aggregate cash payments of $90,000 and issuing an aggregate of 300,000 common shares of the Company.

The Vendors were granted a 1.5% net smelter return royalty ("NSR"). The Company may, at any time, purchase 1% of the net smelter return royalty for $1,000,000. The Company must make annual cash advance payments of $10,000 for the Quinlan Property to the Vendors commencing February 23, 2016 and continuing each year thereafter until commencement of commercial production, deductible against the NSR. During the year ended November 30, 2022, the Company paid the seventh $10,000 annual cash payment.

Red Wine Property, Labrador

On June 28, 2015, the Company purchased from Great Western Minerals Group Ltd. ("GWMG") its interest in the Red Wine Property for $20,000. GWMG had acquired its approximate 50% interest in the Red Wine Property pursuant to an option agreement between the Company and GWMG dated July 23, 2010. Following the acquisition, the Company now owns 100% of the Red Wine Property.

Option Agreement - Two Tom Property

On June 14, 2021, the Company entered into an option agreement (the "Option Agreement") with United Gold Inc, Aubrey Budgell and Donna Lewis (the "Vendors") for an option to acquire an undivided 100% interest in and to certain claims known as the Two Tom Property (the "Two Tom Property"). The Two Tom Property is part of the Red Wine district.

The Two Tom Property consists of two licenses (027378M and 016522M) totaling 16 claims.

Under the terms of the Option Agreement, the Company may earn the undivided 100% interest in the Two Tom Property by making aggregate cash payments of $200,000 and by issuing an aggregate of 1,600,000 common shares of the Company over a period of three years as follows:

- pay $40,000 (paid) and issue 400,000 common shares on the acquisition date (issued at the fair value of $84,000);
- pay $50,000 (paid) and issue 400,000 common shares on or before July 2, 2022 (issued at the fair value of $48,000);
- pay $50,000 and issue 400,000 common shares on or before July 2, 2023; and,
- pay $60,000 and issue 400,000 common shares on or before July 2, 2024.

The Vendors were granted a 3.0% net smelter return royalty. The Company may, at any time, purchase 2.0% of the net smelter return royalty for $2,000,000.

(Expressed in Canadian dollars)

Letter Agreement – Mann Property and Two Tom Property claim

On June 15, 2021, the Company entered into a binding letter agreement (the "Letter Agreement") with Roland Quinlan and Eddie Quinlan (the "Vendors") for an option to acquire an undivided 100% interest in and to certain claims known as the Mann#1 claims (the "Mann Property") and another claim proximal to Two Tom Property. The Mann Property claims are part of the Red Wine district.

The Mann Property consists of two licenses, 027380M (4 claims) and the Two Tom Property consists of license 027384M (16 claims).

Under the terms of the Letter Agreement, the Company may earn the undivided 100% interest in the claims by making aggregate cash payments of $200,000 and by issuing an aggregate of 1,600,000 common shares of the Company over a period of four years as follows:

- pay $20,000 (paid) and issue 400,000 common shares on the acquisition date (issued at the fair value of $84,000);
- pay $30,000 (paid) and issue 400,000 common shares on or before July 2, 2022 (issued at the fair value of $48,000);
- pay $60,000 and issue 400,000 common shares on or before July 2, 2023;
- pay $60,000 and issue 300,000 common shares on or before July 2, 2024; and,
- pay $30,000 and issue 100,000 common shares on or before July 2, 2025.

The Vendors were granted a 3.0% net smelter return royalty. The Company may, at any time, purchase 2.5% of the net smelter return royalty for $2,000,000. The Company must make annual cash advance payments of $10,000 for the Mann Property to the Vendors commencing June 15, 2026 and continuing each year thereafter until commencement of commercial production, deductible against the NSR.

Impairment of Mineral Properties

As at November 30, 2022, the Company determined that there were no impairment indicators for the claims located in the CREE District.

NunatuKavut Community Council

On August 27, 2012, as amended on November 13, 2014, the Company entered into a Mining Exploration Activities Agreement with the NunatuKavut Community Council (the "NunatuKavut"), the political representative body of the Inuit of South-Central Labrador. The agreement solidifies a relationship that has evolved through the Company's activity in and around NunatuKavut communities on the south coast. The agreement sets out a respectful way forward, meeting the interests of and ensuring mutual benefit for both parties. Key elements in the agreement address environmental protocols and safeguards for matters of historic values. The agreement also sets out hiring and business opportunities for NunatuKavut members and communities as well as certain financial considerations.

9. Payables

	November 30, 2022 $	November 30, 2021 $
Trade payables	**2,120,550**	529,155
Due to related parties (Note 12)	**69,454**	153,825
Total payables	**2,190,004**	682,980

10. CEBA Loan

During the year ended November 30, 2020, the Company obtained an unsecured line of credit as part of the government's economic response plan to the COVID-19 pandemic (the Canada Emergency Business Account) ("CEBA loan"). The Company borrowed $120,000 from the CEBA loan as at November 30, 2022 (November 30, 2021: $120,000). The CEBA loan is interest free and is eligible for $40,000 of forgiveness if $80,000 is fully repaid by December 31, 2023. If not repaid in full by the maturity date, the CEBA loan will be converted into a loan at a fixed interest rate of 5% per annum with a maturity date of December 31, 2025.

As the Company intends to repay the CEBA loan by December 31, 2023, the $40,000 in potential forgiveness has been recognized as deferred government assistance on the statement of financial position as at November 30, 2022.

The estimated fair value of the CEBA loans at initial recognition was approximately $66,000 using a discount rate of 20% compared to the book value of $80,000. The income statement effects resulting from the difference between fair value and book value is immaterial and therefore not reflected in the consolidated financial statements.

11. Promissory Notes

InCoR Promissory Notes

During the year ended November 30, 2020, the Company received an aggregate of $100,000 in non-interest bearing, due on demand loans from InCoR Holdings Plc, ("InCoR") secured against all assets of the Company. During the year ended November 30, 2021, the Company repaid the loans.

During the year ended November 30, 2021, the Company received a promissory note in the amount of US$115,000 (CDN$146,706) from InCoR. The promissory note was to mature on June 2, 2021 and bore interest at 24% per annum with a minimum interest period of six months. During the year ended November 30, 2021, the Company repaid the promissory note of US$115,000 and interest of US$13,800 (aggregate amount of CDN$164,310).

Other Promissory Notes

On November 15, 2019, the Company received a promissory note in the amount of $200,000 from an arms' length party. The promissory note was to mature on November 15, 2020 and bore interest at 10% per annum. Interest was payable quarterly. The Company also issued a total of 4,000,000 warrants to the promissory note holder. Each warrant was exercisable into one common share for one year at a price of $0.05 per share.

On November 12, 2020, the lender agreed to extend the November 15, 2019 promissory note by one year to November 15, 2021 in exchange for issuing 4,000,000 warrants exercisable into one common share for one year at a price of $0.05 per share. A new promissory note was signed between the two parties which replaced the original expiring promissory note. The new promissory note replacing the original promissory note was treated as a debt extinguishment. Since the carrying value of the existing promissory note was near $200,000 as the expiration date was November 15, 2020 and the replacement consideration of the new promissory note was also $200,000, there was no gain or loss as a result of the loan extinguishment. The Company determined the fair value of the new promissory note to be $173,713, based on the net present value of future cash flows. The residual value of $26,287, after subtracting the $200,000 fair value of the new promissory note, was allocated to the warrants. During the year ended November 30, 2021, the Company repaid the promissory note and recorded a loss on debt settlement of $16,831. During the year ended November 30, 2020, the Company repaid $50,000 of the promissory note. During the year ended November 30, 2021, the Company repaid the remaining balance of the promissory note.

On March 16, 2020, the Company received a promissory note in the amount of $100,000 from an arms' length party. The promissory note was to mature on March 16, 2021 and bore interest at 10% per annum. Interest was payable quarterly. The Company also issued a total of 2,000,000 warrants to the promissory note holder. Each warrant was exercisable into one common share for one year at a price of $0.05 per share. The Company assigned the fair value of $83,038 to the liability component and a value of $16,962 to the warrants. During the year ended November 30, 2021, the Company repaid the promissory note.

On November 28, 2020, the Company received a promissory note in the amount of $70,000 from an arms' length party. The promissory note matured on November 28, 2021 and bore interest at 24% per annum with a minimum interest period of six months. During the year ended November 30, 2021, the Company repaid the promissory note.

During the year ended November 30, 2021, the Company recorded interest expense of $30,895 and accretion expense of $14,443 on the promissory notes.

12. Share Capital

a. Common shares authorized

Unlimited number of common shares.

b. Financings

During the year ended November 30, 2022, the Company completed the following financing:

i) Private Placements of Flow-Through Shares and non-Flow-Through Units

On December 22, 2021, the Company completed a private placement of 18,540,000 flow-through common shares at a price of $0.25 per flow-through common share for gross proceeds of $4,635,000. The flow-through premium liability was determined to be $0.07 per flow-through share and accordingly, $1,297,800 was allocated to the flow-through premium liability. As at November 30, 2022, the Company had incurred eligible Canadian Exploration Expenditures of $4,519,008. Accordingly, the Company recorded the flow-through premium liability as an other income item amounting to $1,265,322. As at November 30, 2022, the flow-through premium liability was $32,478.

On December 22, 2021, the Company completed a private placement of 3,711,113 units at a price of $0.18 per unit for gross proceeds of $668,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof to purchase an additional common share of the Company at a price of $0.25 per common share up to December 22, 2023. A value of $nil has been attributed to the warrants using the residual method.

ii) Private Placements of Flow-Through Shares and non-Flow-Through Units

On January 27, 2022, the Company completed a private placement of 120,000 flow-through common shares at a price of $0.25 per flow-through common share for gross proceeds of $30,000. The flow-through premium liability was determined to be $0.07 per flow-through share and accordingly, $8,400 was allocated to the flow-through premium liability. As at November 30, 2022, the flow-through premium liability was $8,400.

On January 27, 2022, the Company completed a private placement of 5,495,777 units at a price of $0.18 per unit for gross proceeds of $989,240. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof to purchase an additional common share of the Company at a price of $0.25 per common share up to January 27, 2024. A value of $nil has been attributed to the warrants using the residual method.

In connection with the private placements, the Company paid cash finders' fees of $281,130 and issued 1,141,834 share purchase warrants entitling the holder thereof to purchase a common share of the Company at $0.35 per common share up to December 23, 2022. The fair value of the finders' warrants, $50,780, was estimated using the Black-Scholes option pricing model with the following assumptions: share price - $0.19; exercise price - $0.35; risk-free interest rate – 0.35%; expected life – 1.0 years; expected volatility – 106%; and expected dividends – nil.

In connection with the financings, the Company incurred other cash issue costs such as legal fees and filing fees of $70,102.

During the year ended November 30, 2021, the Company completed the following financing:

i) Private Placements of Units

On January 6, 2021, the Company completed a private placement of 8,900,000 units at a price of $0.06 per unit for gross proceeds of $534,000. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder thereof to purchase an additional common share of the Company for a period of two years at a price of $0.06 per common share in the first year and $0.08 in the second year. A value of $89,000 has been attributed to the warrants using the residual method.

Private Placement of Units

On March 11, 2021, the Company completed a private placement of 25,000,000 units at a price of $0.07 per unit for gross proceeds of $1,750,000. Each unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder thereof to purchase an additional common share of the Company at $0.10 per common share up to March 11, 2022. A value of $nil has been attributed to the warrants using the residual method.

In connection with the private placement, the Company paid cash finders' fees of $13,608 and issued 194,400 share purchase warrants entitling the holder thereof to purchase a common share of the Company at $0.10 per common share up to March 11, 2022. The fair value of the finders' warrants, $8,042, was estimated using the Black-Scholes option pricing model with the following assumptions: share price - $0.12; exercise price - $0.10; risk-free interest rate – 0.30%; expected life – 1.0 years; expected volatility – 70%; and expected dividends – nil.

(Expressed in Canadian dollars)

Flow-Through Private Placement

On April 7, 2021, the Company completed a flow-through private placement of 14,000,000 flow-through common shares at a price of $0.18 per flow-through share for gross proceeds of $2,520,000. In connection with the private placement, the Company paid cash finders' fees of $102,078 and issued 567,100 share purchase warrants entitling the holder thereof to purchase a common share of the Company at $0.35 per common share up to April 7, 2022. The fair value of the finders' warrants, $24,913, was estimated using the Black-Scholes option pricing model with the following assumptions: share price - $0.21; exercise price - $0.35; risk-free interest rate – 0.25%; expected life – 1.0 years; expected volatility – 93%; and expected dividends – nil.

In connection with the financings, the Company incurred other cash issue costs such as legal fees and filing fees of $90,843.

c. Stock option plan

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX-V). Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as a director or officer of the Company.

Changes in share purchase options during the years ended November 30, 2022 and 2021 are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life (Years)
Outstanding, November 30, 2020	24,950,000	$0.08	3.29
Granted	8,930,000	$0.20	
Exercised	(5,600,000)	$0.08	
Forfeited	(250,000)	$0.08	
Outstanding, November 30, 2021	28,030,000	$0.12	3.48
Granted	11,550,000	$0.20	
Exercised	(50,000)	$0.08	
Outstanding, November 30, 2022	39,530,000	$0.14	2.98
Outstanding and exercisable, November 30, 2022	35,680,000	$0.14	2.85

During the year ended November 30, 2022, the weighted average share price on the date of option exercise was $0.11 (2021: $0.17).

During the year ended November 30, 2022, the Company recorded share-based payment expense of $1,414,674 (2021: $930,159). The weighted average fair value of share purchase options granted during the years ended November 30, 2022 and 2021 was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2022	2021
Stock price	$0.19	$0.16
Exercise price	$0.20	$0.20
Risk-free interest rate	1.75%	1.00%
Expected life	5.0 years	5.0 years
Expected volatility	88%	89%
Expected dividends	Nil	Nil

(Expressed in Canadian dollars)

At November 30, 2022, the following share purchase options were outstanding entitling the holder thereof the right to purchase one common share for each option held:

Number	Exercise Price	Expiry Date
(1)7,250,000	$0.08	February 7, 2023
11,800,000	$0.08	November 17, 2025
8,930,000	$0.20	August 18, 2026
(2)11,550,000	$0.20	February 2, 2027
39,530,000		

(1) Subsequent to November 30, 2022, these options expired unexercised. As a result of a black out period, the expiry date of these share purchase options was extended to March 21, 2023. 5,250,000 expired unexercised and 2,000,000 were exercised.

(2) These options vest as to one-third on February 2, 2022, one-third on August 2, 2022 and one-third on February 2, 2023.

d. Warrants

Changes in share purchase warrants during the years ended November 30, 2022 and 2021 are as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Life (Years)
Balance, November 30, 2020	72,864,434	$0.06	3.16
Issued	22,161,500	$0.09	
Exercised	(28,741,205)	$0.08	
Expired	(1,492,500)	$0.10	
Balance, November 30, 2021	64,792,229	$0.06	2.50
Issued	10,348,724	$0.26	
Exercised	(21,701,847)	$0.07	
Expired	(1,221,769)	$0.20	
Balance, November 30, 2022	52,217,337	$0.09	2.19

At November 30, 2022, the following share purchase warrants were outstanding entitling the holder thereof the right to purchase one common share for each warrant held:

Number	Exercise Price	Expiry Date
(1)1,141,834	$0.35	December 22, 2022
3,140,988	$0.07	July 5, 2023
3,711,113	$0.25	December 22, 2023
5,495,777	$0.25	January 27, 2024
8,727,625	$0.05	June 17, 2024
30,000,000	$0.05	November 12, 2025
52,217,337		

(1) Subsequent to November 30, 2022, these warrants expired unexercised.

e. Basic and diluted loss per share

During the year ended November 30, 2022, potentially dilutive common shares totaling 91,747,337 (2021: 92,822,229) were not included in the calculation of basic and diluted loss per share because their effect was anti-dilutive. Potentially dilutive common shares are from exercisable share purchase options and share purchase warrants.

(Expressed in Canadian dollars)

13. Related Party Transactions

During the years ended November 30, 2022 and 2021, the Company incurred the following expenditures charged by directors and officers of the Company, or former directors and officers of the Company, and/or companies they owned or were significant shareholders of:

	2022 **$**	2021 $
Administration and management fees	**280,000**	346,667
Consulting fees	**75,000**	112,500
Non-executive directors fees	**138,000**	85,500
Mineral property expenditures		
Geological consulting, salaries, wages and benefits	**355,000**	190,833
Metallurgical consulting	**111,000**	177,250
Share-based payments - options	**1,010,482**	708,296
	1,969,482	1,621,046

At November 30, 2022, due to related parties of $69,454 (November 30, 2021: $153,825) included amounts owing to directors and officers of the Company and/or companies they control or of which they were significant shareholders. The amounts owing include amounts related to expenditures charged to the Company and for reimbursements of expenditures paid for on behalf of the Company. The amounts owing are unsecured, non-interest bearing and due on demand. The amounts have been recorded at their exchange amount, being the amount agreed to by the parties.

Key management includes the CEO, COO, VP of Metallurgy, VP of Exploration and the directors of the Company. The compensation paid or payable to key management for services during the years ended November 30, 2022 and 2021 is as follows:

	2022 **$**	2021 $
Short-term benefits	**959,000**	912,750
Share-based payments - options	**1,010,482**	708,296
	1,969,482	1,621,046

The InCoR loans disclosed in Notes 11 and 17 are related party transactions as InCoR appointed two members to the Board of Directors of the Company and InCoR holds more than 20% of the issued and outstanding shares of the Company.

14. Income Taxes

A reconciliation between the Company’s income tax provision computed at statutory rates to the reported income tax expense for the years ended November 30, 2022 and 2021 is as follows:

(Expressed in Canadian dollars)

	2022 **$**	2021 $
Statutory tax rate	**27.00%**	27.00%
Loss for the year before income taxes	**(1,571,004)**	(2,074,584)
Expected income tax expense (recovery)	**(424,000)**	(560,000)
Share-based payments and other permanent differences	**41,000**	251,000
Effect of change in tax rate and other	**(26,000)**	(92,000)
Flow-through share renunciation	**1,778,000**	170,000
Change in unrecognized deferred tax assets	**(1,369,000)**	231,000
Income tax expense	**-**	-

The significant components of the Company's deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same jurisdiction, as at November 30, 2022 and 2021 are as follows:

	2022 **$**	2021 $
Deferred income tax assets (liabilities)		
Non-capital and capital losses carried forward	**3,676,000**	3,312,000
Mineral properties	**(1,057,000)**	777,000
Other	**150,000**	49,000
Total unrecognized deferred income tax assets	**2,769,000**	4,138,000

All deferred tax assets and liabilities are estimated to be recovered after more than 12 months.
Losses that reduce future income for tax purposes expire as follows:

	$
2027	1,000
2028	194,000
2029	349,000
2030	954,000
2031	1,562,000
2032	1,471,000
2033	1,346,000
2034	1,306,000
2035	1,000
2036	422,000
2037	887,000
2038	771,000
2039	770,000
2040	941,000
2041	1,085,000
2042	1,382,000
	13,442,000

In reference to the deferred tax asset (liability) relating to mineral properties, the Company has certain tax pools arising from its resource related expenditures that amount to approximately $23.2 million and which are available indefinitely to shelter future income from corporate income taxes.

On January 13, 2020, the Company completed a flow-through private placement of 1,400,000 shares at a price of $0.05 per flow-through share for gross proceeds of $70,000. As at December 31, 2019, the Company renounced the $70,000 flow-through proceeds to the subscribers. The gross proceeds attributable to the flow-through shares of $70,000 will not be available to the Company for future deduction from taxable income.

On April 7, 2021, the Company completed a flow-through private placement of 14,000,000 shares at a price of $0.18 per flow-through share for gross proceeds of $2,520,000. On December 22, 2021, the Company completed a flow-through private placement of 18,540,000 shares at a price of $0.25 per flow-through share for gross proceeds of $4,635,000. On January 27, 2022, the Company completed a flow-through private placement of 120,000 shares at a price of $0.25 per flow-through share for gross proceeds of $30,000. As at November 30, 2021, the Company renounced $600,000 to the subscribers and on December 31, 2021, the Company renounced the remaining $6,585,000 to subscribers. The gross proceeds attributable to the flow-through shares of $7,185,000 will not be available to the Company for future deduction from taxable income.

15. Financial Instruments

Management of Capital

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern in order to facilitate the development of its mineral properties and to maintain an optimal capital structure, while ensuring the Company's strategic objectives are met; and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of share capital, contributed surplus and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and by controlling the capital expenditures program.

The mineral properties are in the exploration stage. As such, the Company is dependent on external financing to develop its properties and fund its activities. In order to carry out its planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed and if available, and may even dispose of its interest in the mineral properties.

Management reviews its capital management approach on an ongoing basis and no changes were made to the approach during the year ended November 30, 2022. At November 30, 2022 and 2021, the Company was not subject to any externally imposed capital requirements.

Classification of Financial Instruments

The Company's financial instruments consist of cash, trade payable, due to related parties and CEBA loan. The Company's cash, trade payable, due to related parties and CEBA loan are measured at amortized cost.

Fair Value of Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in market that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The Company did not have financial instruments measured at fair value on a recurring basis during the years ended November 30, 2022 and 2021.

The carrying amounts of the Company's cash, trade payable and due to related parties approximate their fair value due to the relatively short period to maturity of these financial instruments. The estimated fair value of the CEBA loans at November 30, 2022 was approximately $66,000 based on Level 3 inputs and an estimated discount rate of 20%.

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash are held with a large Canadian bank.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of minerals under exploration.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. Refer to the going concern note for additional disclosure (Note 2). As at November 30, 2022 and 2021, the Company had working capital as follows:

	2022 **$**	2021 $
Current assets	**1,283,703**	1,986,856
Current liabilities	**(2,230,882)**	(682,980)
Working capital (deficiency)	**(947,179)**	1,303,876

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

a) *Currency Risk*

As at November 30, 2022 and 2021, all of the Company's cash were held in Canadian dollars, the Company's functional currency. The Company has no operations in foreign jurisdictions outside of Canada at this time and as such has no currency risk associated with its operations. The Company has had nominal amounts of payables in US dollars.

b) *Interest Rate Risk*

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the Company uses. As at November 30, 2022, the Company had the CEBA loans bearing interest at a fixed rate of 5% per annum. As the Company had no variable rate interest bearing financial instruments, the Company is not exposed to interest rate risk.

c) *Price Risk*

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. The Company has no financial instruments subject to price risk.

16. Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the year ended November 30, 2022, the following transactions were excluded from the statement of cash flows:

a) deferred exploration expenditures of $1,798,886 included in accounts payable and accrued liabilities at November 30, 2022, less expenditures included in accounts payable at November 30, 2021 of $475,382 (net exclusion of $1,323,504);

b) property and equipment expenditures of $279,745 included in accounts payable and accrued liabilities at November 30, 2022;

c) the issuance by the Company of 50,000 shares at the fair value of $8,750 pursuant to a debt settlement; and,

d) the issuance by the Company of 800,000 shares at the fair value of $96,000 pursuant to mineral property agreements.

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the year ended November 30, 2021 the following transactions were excluded from the statement of cash flows:

a) deferred exploration expenditures of $475,382 included in accounts payable and accrued liabilities at November 30, 2021, less expenditures included in accounts payable at November 30, 2020 of $940,702 (net inclusion of $465,320);

b) the issuance by the Company of 50,000 shares at the fair value of $3,750 pursuant to a debt settlement;

c) the issuance by the Company of 15,800,000 shares at the fair value of $3,168,000 pursuant to mineral property agreements; and,

d) 761,500 warrants at the fair value of $32,955 issued as finders' fees (Note 12(b)).

17. Subsequent Events

Subsequent to November 30, 2022:

Extension and Expiry of Options

7,250,000 share purchase options at an exercise price of $0.08 per share expiring on February 7, 2023 were extended per the stock option plan and now expire on March 21, 2023 due to a blackout period being lifted on March 7, 2023. On March 21, 2023, 5,250,000 of these share purchase options expired unexercised.

Exercise of Options

2,000,000 share purchase options at an exercise price of $0.08 per share were exercised for proceeds of $160,000.

Expiry of Warrants

1,141,834 share purchase warrants at an exercise price of $0.35 per share expired unexercised.

Loan Received From InCoR Holdings Limited

The Company entered into a term sheet dated March 6, 2023, pursuant to which the Company will receive a secured term loan (the "Loan") in the amount of $2,500,000 million form InCoR Holdings Limited (the "Lender"). The Loan will have a 2-year term and will bear interest at a rate of 22.5% per annum. The Company may pay back the principal plus accrued interest on the Loan to the Lender at anytime after the one-year anniversary of the Loan. The Company will issue 6,250,000 bonus shares at the fair value of $500,000 to the Lender. No commission or finder's fee will be paid in connection with the Loan. The completion of the Loan is subject to entering into a loan agreement and receiving the funds from the Lender.

The Lender is a related party of the Company (Note 13).

Government Assistance

The Company announced that the Government of Canada will contribute $5 million in non-dilutive support to the Company via a Contribution Agreement which will be used to fund the construction and operation of a demonstration plant for rare earth extraction and recovery. The Government of Canada will contribute the lesser of 75% of the total project costs, as defined in the agreement, and $5 million. The eligible expenditure period is November 30, 2022 to March 31, 2024.

Search Minerals Inc.
CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES
For the years ended November 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Critical Rare Earth Element District, Labrador $	Red Wine, Labrador $	Total $
Balance, November 30, 2020	13,432,090	5,400	13,437,490
Acquisition costs			
Cash	50,000	20,000	70,000
Shares	3,084,000	84,000	3,168,000
Staking costs	11,960	-	11,960
	3,145,960	104,000	3,249,960
Deferred exploration costs			
Assays	387,558	-	387,558
Camp and rent	87,354	-	87,354
Consulting	116,139	-	116,139
Drilling	920,973	-	920,973
Engineering and metallurgy	125,493	-	125,493
Geological consulting, salaries, wages and benefits (Note 13)	551,389	8,744	560,133
Government contributions	(75,156)	-	(75,156)
Metallurgical consulting (Note 13)	177,250	-	177,250
Travel and accommodation	43,005	-	43,005
Other	182,150	36,128	218,278
	2,516,155	44,872	2,561,027
Balance, November 30, 2021	19,094,205	154,272	19,248,477
Acquisition costs			
Cash	20,000	70,000	90,000
Shares	-	96,000	96,000
Staking costs	9,450	-	9,450
	29,450	166,000	195,450
Deferred exploration costs			
Assays	309,330	-	309,330
Camp and rent	287,844	-	287,844
Drilling	2,863,898	-	2,863,898
Engineering and metallurgy	2,080,135	-	2,080,135
Geological consulting, salaries, wages and benefits (Note 13)	1,524,380	22,128	1,546,508
Government contributions	(223,526)	-	(223,526)
Helicopters	276,963	-	276,963
Metallurgical consulting (Note 13)	111,000	-	111,000
Other	274,387	-	274,387
Travel and accommodation	144,063	9,300	153,363
	7,648,474	31,428	7,679,902
Balance, November 30, 2022	**26,772,129**	**351,700**	**27,123,829**