CANADIAN CRITICAL MINERALS INC.
(formerly BRAVEHEART RESOURCES INC.)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, unless otherwise stated)

FOR THE YEARS ENDED MAY 31, 2023 and 2022

Independent Auditors' Report

To: The Shareholders of **Canadian Critical Minerals Inc.**

Opinion

We have audited the consolidated financial statements of Canadian Critical Minerals Inc. (the "Company"), which comprise the statement of financial position as at May 31, 2023 and the statements of income (loss) and comprehensive income (loss), consolidated changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which indicates that at May 31, 2023 the Company had a deficit of $26,525,684. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section of our report, we have determined the matter described below to be the key audit matter to be communicated in our auditors' report.

Assessment of impairment indicators of mineral properties

Description of the matter:

As reported in the statement of financial position and Note 7, on May 31, 2023, the total book value of exploration and evaluation assets amounted to $4,186,858. As indicated in Note 3.9, exploration and evaluation assets are initially recorded at cost and any additional expenditures are expensed or capitalized in accordance with the Company's accounting policy. At each reporting period, Management assesses the exploration and evaluation assets for indicators of impairment. This assessment would include considering whether a) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of resources and the Company has decided to discontinue such activities in the specific area; and d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

Why the matter is a key audit matter:

We determined that this is a key audit matter due to the judgement involved in the assessment of indicators of impairment and the significance of the balance of exploration and evaluation assets.

How the matter was addressed in the audit:

We obtained a claims listing, including expiration dates, and agreed such information to government agency websites. We assessed whether substantive expenditures on further exploration is budgeted through reading Board of Directors' minutes and obtained Management's long-term plans for the properties. We assessed the results of activities completed by the Company up to the reporting date and considered evidence obtained in other areas of the audit.

Other Matter

The financial statements of the Company for the year ended May 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on September 28, 2022.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Auditors' report is Roland Bishop, CPA, CA.

Kenway Mack Slusarchuk Stewart LLP

September 26, 2023
Calgary, Alberta

Chartered Professional Accountants

CANADIAN CRITICAL MINERALS INC.
(formerly BRAVEHEART RESOURCES INC.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT

	Note		May 31 2023		May 31 2022
ASSETS					
Non-current assets					
Plant and equipment	6	$	**2,773,389**	$	2,971,821
Unprocessed ore			**5,039,144**		5,039,144
Mineral properties	7		**4,186,858**		4,186,858
Deposits	8		**994,660**		1,009,468
Deferred tax asset			**1**		1
Total non-current assets			**12,994,052**		13,207,292
Current assets					
Prepaids and deposits	8		**106,971**		36,536
Accounts receivable and harmonized sales tax	10		**269,608**		230,752
Cash and cash equivalents	9		**605,926**		117,744
Total current assets			**982,505**		385,032
Total assets		$	**13,976,557**	$	13,592,324
EQUITY AND LIABILITIES					
Equity					
Share capital	11	$	**24,371,402**	$	23,349,839
Warrants	11		**3,772,873**		3,501,600
Contributed surplus			**6,766,797**		6,393,354
Deficit			**(26,525,684)**		(27,978,877)
Total Equity			**8,385,388**		5,265,916
Going concern	1				
Commitments and contingencies	18				
Events after reporting period	19				
Non-current liabilities					
Loans payable	16		**-**		1,245,261
Due to related party	15		**1,428,009**		-
Flow through share premium			**58,600**		-
Government grants	16		**-**		9,767
Decommissioning obligations	17		**201,025**		173,608
Total non-current liabilities			**1,687,634**		1,428,636
Current liabilities					
Accounts payable and accrued liabilities	13		**1,952,416**		1,503,831
Current portion of due to related party	15		**450,000**		5,334,102
Current portion of loans payable	16		**1,493,441**		45,362
Current portion of government grants	16		**7,678**		14,477
Total current liabilities			**3,903,535**		6,897,772
Total liabilities			**5,591,169**		8,326,408
Total equity and liabilities		$	**13,976,557**	$	13,592,324

Approved on behalf of the Board on September 26, 2023:

Signed: "Gestur Kristjansson" Signed: "Ian Berzins"

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

CANADIAN CRITICAL MINERALS INC.
(formerly BRAVEHEART RESOURCES INC.)
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEARS ENDED MAY 31, 2023 and 2022

	Note		May 31 2023		May 31 2022
Revenue		$	-	$	123
Expenses					
Marketing and advertising		$	9,137	$	45,190
Consulting fees			456,755		557,135
Amortization	6		198,431		195,602
Accretion	17		27,417		45,966
Administrative expenses			385,899		375,812
Professional fees			161,561		213,014
Salaries and wages			173,303		211,106
Supplies and maintenance			246,303		299,443
Mining exploration and development expenses	7		421,465		869,668
Mining tax credit			(179,697)		(37,151)
Share based compensation			31,839		267,361
Interest expense	15,16		521,356		853,332
Expenses			2,453,769		3,896,478
Other (income) expenses			(81,667)		(16,014)
Bad debts expense			-		59,609
Gain on modification of related party debt	15		(3,749,380)		-
Loss on modification of long term debt	16		20,844		-
Loss on extinguishment of long term debt			-		223,526
(Gain) loss on sale of assets	8		-		125,000
Foreign exchange (gain) loss			75,404		82,016
Interest income			(20,013)		(8,825)
Net income (loss) before taxes		$	1,301,043	$	(4,361,667)
Deferred income tax recovery	12		(152,150)		(84,449)
Net income (loss) and comprehensive income (loss) for the period		$	1,453,193		(4,277,218)
Net income (loss) per share	14	$	0.006		(0.020)
Weighted average outstanding shares	14		238,792,658		215,677,403

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

CANADIAN CRITICAL MINERALS INC.
(formerly BRAVEHEART RESOURCES INC.)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MAY 31, 2023 and 2022

		Share Capital						
		Common Shares		Warrants		Contributed		
	Note	Number	Amount	Number	Amount	Surplus	Deficit	Total
Balance, May 31 , 2021		205,548,362	$ 22,085,144	58,782,878	$ 2,782,337	$ 6,154,681	$ (23,701,659)	$ 7,320,503
Shares issued for cash		18,249,797	1,549,563	-	-	-	-	1,549,563
Warrants expired unexercised				(787,569)	(76,518)	76,518		-
Warrants issued for incentive of debt				10,000,000	305,784			305,784
Fair value of warrants			504,063	18,249,797	(504,063)	-		-
Share based compensation						267,361		267,361
Shares issued for property acquisition		250,000	25,000					25,000
Stock options exercised		1,800,000	213,206			(105,206)		108,000
Share issue costs			(19,011)	150,000	5,410			(13,601)
Net loss and comprehensive loss							(4,277,218)	(4,277,218)
Balance, May 31, 2022		**225,848,159**	**23,349,839**	**86,395,106**	**3,501,600**	**6,393,354**	**(27,978,877)**	**5,265,916**
Shares issued for cash	8	2,537,857	185,650					185,650
Shares issued for trade payable		1,650,000	115,500					115,500
Warrants expired unexercised				(5,827,333)	(341,604)	341,604		-
Flow-through share issue for cash	8	20,150,000	1,656,000					1,656,000
Flow-through share premium	8		(210,750)					(210,750)
Fair value of warrants	8		(549,993)	20,487,857	549,993			-
Share based compensation						31,839		31,839
Share issue costs	8		(174,844)	1,366,500	62,884			(111,960)
Net income and comprehensive income							1,453,193	1,453,193
Balance, May 31, 2023		**250,186,016**	**$ 24,371,402**	**102,422,130**	**$ 3,772,873**	**$ 6,766,797**	**$ (26,525,684)**	**$ 8,385,388**

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

CANADIAN CRITICAL MINERALS INC.
(formerly BRAVEHEART RESOURCES INC.)
CONSOLIDATED STATMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2023 and 2022

	Note		**May 31 2023**		May 31 2022
Cash flows from operating activities					
Net income (loss) for the period		$	**1,453,193**	$	(4,277,218)
Add back/Deduct non-cash expenses/(income)					
Amortization	**6**		**198,431**		195,602
Accretion	**17**		**27,417**		45,966
Bad debts expense			**-**		59,609
Share based compensation	**11**		**31,839**		267,361
Other income - Government grant	**16**		**(16,566)**		(16,014)
Interest accrued	**15,16**		**500,512**		853,333
Deferred income tax recovery	**12**		**(152,150)**		(84,449)
Unrealized foreign exchange loss			**72,168**		82,016
Loss on forfeit of deposit			**-**		125,000
Loss on modification of long term debt	**16**		**20,844**		223,526
Gain on modification of related party debt	**15**		**(3,749,380)**		-
Net changes in working capital balances					
Accounts receivable and harmonized sales tax			**(38,856)**		(51,428)
Prepaids and deposits			**(55,627)**		22,831
Accounts payable and accrued liabilities			**564,086**		287,231
Cash flows used in operating activities			**(1,144,089)**		(2,266,634)
Cash flows from investing activities					
Investment in capital assets, net of deposits applied			**-**		(458,999)
Cash flows used in investing activities			**-**		(458,999)
Cash flows from financing activities					
Issue of common shares and warrants, net of costs	**11**		**1,729,691**		1,535,962
Stock options exercised			**-**		108,000
Loans payable			**(97,419)**		(93,033)
Related party loan			**-**		(175,000)
Cash provided by financing activities			**1,632,272**		1,375,929
Net change in cash			**488,183**		(1,349,704)
Effect of movements in exchange rates on cash held			**-**		(6,183)
Cash, beginning of period			**117,744**		1,473,631
Cash, end of period		**$**	**605,927**	$	117,744
Supplementary cash flow information:					
Interest paid			**118,263**		268,033

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

1. REPORTING ENTITY AND GOING CONCERN

Canadian Critical Minerals Inc. (the "Company") (formerly Braveheart Resources Inc.) is an exploration stage company engaged in locating, acquiring and exploring for precious metals in Canada. The Company was incorporated pursuant to the laws of Ontario on October 13, 2009. The Company is listed on the TSX Venture Exchange, having the symbol CCMI as well as the OTCQB Venture Market in the United States, having the symbol RIINF, and is in the process of exploring its mineral properties.

The address of the Company's corporate office and principal place of business is 2520 – 16th Street NW, Calgary, Alberta T2M 3R2, Canada.

On January 18, 2019, the Company acquired all of the shares of Purcell Basin Minerals Inc. (Purcell) pursuant to a plan of arrangement and these consolidated financial statements include the operating results of Purcell and its subsidiaries (Bull River Mineral Corporation, Gallowai Metal Mining Corporation, Grand Mineral Corporation, and Stanfield Mining Group of Canada Ltd.) from the date of acquisition.

On December 22, 2020, the Company acquired all shares of Cadillac Ventures Holdings Inc. and on January 26, 2021 Cadillac Ventures Holdings Inc. changed its name to Pickle Lake Minerals Inc. (Pickle Lake). These consolidated financial statements include the operating results of Pickle Lake from the date of acquisition.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has a cumulative deficit of $26,525,684 and used cash flow in operating activities of $1,144,089. At year end May 31, 2023 the Company, has a working capital deficit of $2,921,031 and raised cash of $350,000 subsequent to year-end. The Company has $1,417,561 loan payable (Note 16) secured by Bull River mining assets and.is due on September 30, 2023 and does not currently have resources to settle the loan.

The Company will be required to raise significant financing to fund both ongoing operating activities and the capital required to develop its existing mining properties. In addition, the Company has certain commitments (note 18) and debt maturities (note 16) for which repayment will be required.

The Company's continued existence is dependent upon the preservation of its interest in the underlying mineral properties, the discovery of economically recoverable mineral reserves and the achievement of profitable operations.

As a result of these risks, there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses or statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future period.

The consolidated financial statements were authorized for issue by the Board of Directors on September 26, 2023.

2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of Canadian Critical Minerals Inc. and its wholly-owned subsidiaries, Pickle Lake Minerals Inc. and Purcell Basin Minerals Inc., a company incorporated in British Columbia and its wholly-owned subsidiaries Bull River Mineral Corporation, Gallowai Metal Mining Corporation, and Grand Mineral Corporation. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All inter-company transactions, balances, income and expenses are eliminated through the consolidation process.

2.3 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis as set out in the accounting policies below. Certain items are stated at fair value.

3. ACCOUNTING POLICIES

3.1 Business combinations

Business combinations are accounted for using the acquisition method when the acquisitions of companies and/or assets meet the definition of a business under IFRS. The cost of an acquisition is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The acquired identifiable assets and liabilities and any contingent consideration are measured at their fair value at the date of acquisition. The fair value of property, plant and equipment is the estimated amount for which these assets could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion. Any excess of the purchase price over the fair value of the identifiable assets and liabilities acquired is recognized as goodwill. If the cost of acquisition is less than fair value of the identifiable assets and liabilities, the difference is recorded as a gain in profit or loss. Associated transaction costs are expensed when incurred.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year. Such gains and losses are recognized in profit or loss.

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional and presentation currency.

3.3 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to a contractual agreement.

Classification of Financial Assets

Financial assets are initially measured at fair value and classified into one of the following specified categories: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). Financial assets measured at amortized cost are initially recognized at fair value and subsequently are measured at amortized cost using an effective interest rate method.

Financial assets measured at FVTPL are measured at fair value with unrealized gains and losses recognized in the consolidated statements of loss and comprehensive loss.

Financial assets recognized in the consolidated statements of financial position include cash and cash equivalents, accounts receivable and harmonized taxes, and deposits.

Cash and cash equivalents consist of bank balances in Canada. Cash and cash equivalents are classified as fair value through profit or loss and are measured at fair value.

Deposits and accounts receivables and harmonized taxes are initially recognized at fair value, and subsequently measured at amortized cost.

Classification of Financial Liabilities

Financial liabilities are classified as either FVTPL or amortized cost. Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the consolidated statements of loss and comprehensive loss unless the change in fair value is attributable to changes in credit risk in which case the change is reported in other comprehensive income. Financial liabilities reported at amortized cost, including borrowings, are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method. Financial liabilities consist of accounts payable and accrued liabilities, loans payable, due to related party.

Accounts payable and accrued liabilities, due to related party, and loans payable, are all initially recognized at fair value and classified as amortized cost, and subsequently measured at amortized cost.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and cash equivalents are considered Level 1 in the hierarchy.

Cash and cash equivalents in the statements of financial position comprise cash at Canadian banks, trust accounts, and short-term deposits with an original maturity of 3 months or less.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.4 Significant accounting judgments and estimates

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. 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 economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates:

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, 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, but are not limited to, the following:

- The recoverability of mining assets including, mineral properties, unprocessed ore and property and equipment.
- The fair value of stock options and warrants issued in conjunction with the issuance of the Company's common shares and the fair value of stock options and warrants using the Black Scholes option pricing model.
- The recoverability of deferred tax assets.
- Property, plant and equipment and useful lives and related depreciation and amortization.
- Net realizable value of unprocessed ore.
- As described in note 15 the Company completed a conversion agreement whereby its related party loan was converted to a net smelter royalty. The extinguishment was accounted for as a debt modification and recorded a gain of $3,749,380 which is the difference between the prior amount and the estimated fair value of the net smelter royalty based on minimum periodic repayments.

Critical accounting judgments:

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assumptions made by management.

3.5 Plant and Equipment

On initial recognition, property, plant and equipment are valued at cost, being the purchase price which includes the cash consideration and the fair market value of the shares issued for the acquisition of mineral properties and those directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within the provisions.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Loss during the financial period in which they are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in the Consolidated Statement of Loss. Property, plant and equipment are stated at cost less accumulated amortization, based on the estimated useful life of the asset is calculated as follows:

Plant and building – 20 years

Equipment – 10 -20 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

3.6 Income taxes

The Company uses the Asset and Liabilities method to determine income tax and deferred tax. Income tax expense is comprised of current and deferred tax expense. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes and are presented as noncurrent liabilities.

Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity. Income taxes are calculated using the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and for tax losses and other deductions carried forward.

Deferred income tax assets and liabilities are calculated using substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled. An asset is recognized on the statement of financial position when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in income in the period in which the change is substantively enacted.

Deferred taxes are not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The Company is entitled to refundable BC mineral exploration tax credits and refundable mining duties as a result of incurring mineral exploration expenses in British Columbia. These amounts are recognized when the amount to be received can be reasonably estimated and collection is reasonably assured.

3.7 Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the flowthrough subscribers at an agreed upon date.

Flow-through shares are reported at issue price. If the flow-through shares are issued at a premium to the market price of non-flow through or hard dollar shares at the date of announcement, such premium or excess proceeds is reported as a liability on the Statements of Financial Position. The subsequent renunciation of such qualifying expenditures incurred by the Company in favor of the flow-through subscribers is reported as a reduction in the flow-through share premium liability on the Statements of Financial Position and a corresponding reduction in deferred tax expense on the Consolidated Statements of Loss and Comprehensive loss.

3.8 Restoration, rehabilitation and environmental obligations and provisions

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying account of the asset, as soon as the obligation to incur such costs arises. Discount rates using a credit adjusted rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a credit adjusted rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the avoidable cost of meeting its obligations under the contract.

3.9 Exploration and evaluation asset

Mineral properties are exploration and evaluation assets. Exploration and evaluation costs incurred prior to determination of the right to explore of mining operations are charged to operations as incurred.

The acquisitions of mineral property interests are initially measured at cost.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are charged to operations as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and share based payments to employees and consultants, are expensed in the period in which they occur.

3.10 Unprocessed ore

Unprocessed ore is recorded at its net realizable value. Net realizable value is determined with reference to relevant market prices less applicable variable selling expenses. Estimation is also required in determining the tonnage, recoverable gold and copper contained therein, and in determining the remaining costs of completion to bring inventory into its saleable form.

3.11 Impairment of assets

(i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating units exceed its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

(ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.12 Revenue recognition

IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the provision of goods (or the completion of services) to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services.

This is achieved by applying the following five steps: i) identify the contract with the customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation. Income from the sale of mineral products, when they occur, are generally recorded on a gross basis when title passes to an external party. The Company recognizes income when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collection of the related receivable is reasonably assured. Title and risk of loss generally pass to the customer at the time of control of the product passes to the customer. Interest income is accrued as earned.

3.13 Related party transactions

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

3.14 Loss per share

The Company presents basic and diluted earnings/(loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

3.15 Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The fair value of the share component calculated using Black-Scholes option pricing model, is credited to share capital and the value of the warrant component is credited to the warrants account. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrants account is recorded as an increase to share capital.

3.16 Comprehensive income or loss

Comprehensive income or loss is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a year except those resulting from investments by owners and distributions to owners. Comprehensive income is comprised of net income for the period and other comprehensive income. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in "other comprehensive income" until it is considered appropriate to recognize into net earnings.

The Company had no comprehensive income or loss transactions, other than its net loss, presented in the Statements of Loss and Comprehensive Loss, nor has the Company accumulated other comprehensive income during the periods that have been presented.

4. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Mineral properties and exploration and evaluation asset

The application of the Company's accounting policy for mineral properties and exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale of the project, or where exploration activities are not adequately advanced to support a precious metals resource assessment. The determination is an estimation process that requires varying degrees of uncertainty and these estimates directly impact the mineral property acquisition costs.

Where an indicator of impairment exists, a formal estimated recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

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. Fair value of mineral properties is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, discounted by an appropriate pre-tax discount rate to arrive at a net present value.

4.3 Share-based payment transactions

Share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Under this method, the fair value of the equity-settled share-based payment is measured on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the employees earn the options. For options that do not vest immediately, the fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period in which the options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest.

Equity-settled, share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

5. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- interest rate risk
- price risk
- commodity price risk
- foreign currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivables, and cash and equivalents.

The Company considers this risk to be low.

Accounts Receivables

Receivables are measured at carrying value and are subject to credit risk exposure.

Cash and deposits

At times when the Company's cash position is positive, cash deposits are made with financial institutions having reasonable local credit ratings.

(ii) Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used for operations, finance working capital, exploration expenditures, evaluation expenditures, and acquisitions.

As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy and ongoing operations

and liquidity of the Company. Budgets and forecasts are subject to significant judgement and estimates relating to activity levels, future cash flows and the timing thereof and other factors which may or may not be within the control of the Company. The current volatility in commodity prices and overall global market uncertainty creates significant inherent challenges with the preparation of financial forecasts. See further discussions relating to going concern and liquidity in note 1.
The consolidated financial statements for the year ended May 31, 2023 have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, the Comany is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that Braveheart's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

Liabilities maturities:

		May 31, 2023		**May 31, 2022**
Current (due within one year)	$	3,903,535	$	6,897,773
Non-Current		1,687,634		1,428,636
Total Liabilities	$	5,591,169	$	8,326,409

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Loans payable are variable interest rate.

(iv) Commodity price risk

The value of the Company's exploration and evaluation assets are related to the price of gold, copper, and other mineral commodities. Adverse changes in the price of gold and copper can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Gold, copper, and other mineral commodities prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank reserves, management forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand due to speculative hedging activities, macro-economic variables and certain other factors related specifically to gold, copper, and other mineral commodities.

(v) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions and loans are denominated in United States dollars.

(In Canadian dollars)

Sensitivity analysis - Based on management's knowledge and experience of the financial markets, the Company believes that movements at ± 10% are "reasonably possible" over a one year period:

(a) As at May 31, 2023, the Company had $1,417,561 ($1,042,094 US dollars) in loan liability and $3,627. in cash denominated US Dollar foreign currency.

(b) Price risk is remote since the Company is a non-producing entity.

Capital risk management

The primary objective of managing the Company's capital is to ensure that there is sufficient capital available to support the funding and operating requirements of the Company in a way that optimizes the cost of capital, maximizes shareholders' returns, matches the current strategic business plan and ensures that the Company remains in a sound financial position. (See note 1)

There were no changes to the Company's approach to capital management during the year, as compared to the prior year.

6. PLANT AND EQUIPMENT

May 31, 2023	**Cost**	**Accumulated amortization**	**Net book value**
Buildings	$2,486,494	(541,418)	$1,945,076
Equipment	$1,109,067	(280,754)	$ 828,313
Total	$3,595,561	(822,172)	$2,773,389

May 31, 2022	**Cost**	**Accumulated amortization**	**Net book value**
Buildings	$2,486,494	(417,093)	$ 2,069,401
Equipment	$1,109,067	(206,647)	$ 902,420
Total	$3,595,561	(623,740)	$2,971,821

Amortization rates based on estimated useful lives of 20 years for Building and 10-20 years for Equipment. The year ended May 31, 2023 includes $368,000 in of floatation cell work-in-process equipment. The buildings and equipment are attributable to the Bull River mine.

7. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION ASSET

	May 31, 2022	Additions	Adjustments	May 31, 2023
Purcell	$ 2,020,677	-	-	$ 2,020,677
Thierry	2,166,181	-	-	2,166,181
	$ 4,186,858	$ -	-	$ 4,186,858

(In Canadian dollars)

	May 31, 2021	Additions	Adjustments	May 31, 2022
Purcell	$ 2,089,594	-	$ (68,917)	2,020,677
Thierry	2,328,095	25,000	(186,914)	2,166,181
	$ 4,417,689	$ 25,000	(255,831)	$ 4,186,858

For the year ended May 31, 2022, $167,955 of combined adjustment for Purcell and Thierry are due to changes in estimates for decommissioning obligation (note 18) and $27,891 for Thierry related to adjustment of contingent consideration respectively (note 6).

Mining Exploration Expenses

	For the Year Ended May 31, 2023	For the Year Ended May 31, 2022
Alpine	-	26,212
Purcell	361,040	760,802
Thierry	60,425	82,654
	421,465	$ 869,668

The BC Mining Exploration Tax Credit (BCMETC) is a 30% credit on qualified mining exploration for the determination of the existence, location, extent or quality of a mineral resource in BC.
During the year, the Company had BCMETC of $179,697 (2022- $37,151).

8. DEPOSITS AND PREPAIDS

	May 31, 2023	May 31, 2022
Restricted deposits	$ 994,660	$ 1,009,468
Advances and prepaids	106,971	36,536
Deposits and prepaid	$ 1,101,631	$ 1,046,004
Current portion	106,971	36,536
	$ 994,660	$ 1,009,468

Restricted deposits are held in Canadian banks as required by British Columbia Ministry of Energy, Mines and Low Carbon Innovation for Purcell and the Ontario Ministry of Northern Development, Mines, Natural Resources and Forestry for Thierry.

Options agreement to acquire Alpine Gold Mine Property

On March 3, 2021, the Company entered into an option agreement to acquire a 100% interest in the past-producing Alpine Mine Property near Nelson, British Columbia. The Company issued 1,000,000 shares fair value estimated at $125,000 in April 2021. During the year ended May 31, 2022 the Company allowed the option agreement to lapse and recognized a loss of $125,000.

(In Canadian dollars)

9. CASH

	May 31, 2023	May 31, 2022
Cash	$ 605,926	$ 117,744

All cash is held in Canadian banks, and a trust account.

10. HARMONIZED SALES TAX AND OTHER RECEIVABLES

	May 31, 2023	May 31, 2022
BC Mining Exploration Tax Credit	$ 231,501	$ 149,075
Misc receivables	4,130	-
Harmonized sales tax	33,977	81,677
	$ 269,608	$ 230,752

11. SHARE CAPITAL

Authorized: Unlimited number of common shares without a value

Authorized and issued

	Number of shares	
	May 31, 2023	May 31, 2022
Common shares, beginning of year	225,848,159	205,548,362
Issued for cash - shares (i)(iv)(vi)(vii)	2,537,857	18,249,797
Issued for trade payables(ix)	1,650,000	-
Issued for flow-through share (v)(vii)(viii)	20,150,000	-
Issued for cash on exercise of stock options (iii)	-	1,800,000
Issued for property acquisition (ii)	-	250,000
Common shares	250,186,016	225,848,159
Opening	$ 23,349,839	$ 22,085,144
Issued for cash - shares (i),(iv)(vi) (vii)	185,650	1,549,563
Issued for trade payables (ix)	115,500	
Issued for flow-through share (v)(vii)(viii)	1,656,000	-
Flow-through share premium	(210,750)	-
Issued for cash on exercise of stock options (iii)	-	213,206
Warrants exercised (i)(xi)	-	25,000
Issued for settlement of related party loan (x)	-	(19,011)
Warrants exercised (i)(xi)	-	(504,063)
Share issue costs (v)(vii)	(174,844)	-
Fair value of warrants (v)(vi)(vii)	(549,993)	-
	$ 24,371,402	$ 23,349,839

(i) On July 7, 2021 the Company issued 7,233,130 units at $0.10 per unit for $723,313. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of $0.14 per share for a period of 24 months from offering. 90,000 finders fees warrants were issued exercisable into a common share at a price of $0.14 per share until July 7, 2023.

(ii) On August 10, 2021, the Company issued 250,000 shares as part of its cost of acquisition of a 2% Net Smelter Royalty on the Thierry mine project.

(iii) During the year ended May 31, 2022, 1,800,000 stock options were exercised at $0.06 per common share for gross proceeds of $108,000.

(iv) On February 16, 2022 the Company issued 11,016,667 units at $0.075 per unit for $826,250. Each unit is comprised of one common share and one-half warrant. Each warrant is exercisable into a common share at a price of $0.135 per share for a period of 24 months from offering. 60,000 finders fees warrants were issued exercisable into a common share at a price of $0.075 per share until February 15, 2024.

(v) On July 27, 2022 the Company issued 4,400,000 units at $0.09 per unit for $396,000. Each unit is comprised of one flow through common share and one-half warrant. Each warrant is exercisable into a common share at a price of $0.135 per share for a period of 24 months from offering. Commissions totaling $23,760 and 264,000 finders fees warrants were issued exercisable into a common share at a price of $0.09 per share until July 26, 2024.

(vi) On August 11, 2022 the Company issued 937,857 units at $0.07 per unit for $65,650. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of $0.105 per share for a period of 24 months from offering.

(vii) On November 18, 2022 the Company issued 1,600,000 units at $0.075 and 6,250,000 flow through units at $0.08 per unit for $620,000. Each unit is comprised of one common share and one warrant exercisable into a common share at a price of $0.1125 per share for a period of 36 months from offering. Each flow through share consists of one common share and one common share purchase warrant that is exercisable into a common share at $0.12 per share for a period of 36 months. Commissions totaling $35,000 and 437,500 finders fees warrants were issued exercisable into a common share at a price of $0.08 per share until November 17, 2025.

(viii) On December 28, 2022 the Company issued 9,500,000 flow through units at $0.08 per unit for $760,000. Each unit is comprised of one common share and one share warrant exercisable into a common share at a price of $0.12 per share for a period of 36 months from offering. Commissions totaling $53,200 and 665,000 finders fees warrants were issued exercisable into a common share at a price of $0.08 per share until December 28, 2025.

(ix) On March 7, 2023 1,650,000 shares were issued as payment for outstanding trade payables.

See also note 19 for details of shares issued in June 2023.

(In Canadian dollars)

Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the years ended May 31, 2023 and 2022:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2021	58,782,878	$ 0.160
Expired	(787,569)	0.097
Issued	28,399,797	0.120
Balance, May 31, 2022	86,395,106	$ 0.140
Issued	3,401,857	0.090
Issued	6,250,000	0.120
Issued finders fees warrants	437,500	0.080
Issued	1,600,000	0.1125
Issued	9,500,000	0.120
Issued finders fees warrants	665,000	0.080
Expired	(3,062,115)	0.150
Expired	(2,765,218)	0.140
Balance, May 31, 2023	102,422,130	$ 0.130

At May 31, 2023, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date.

Warrants	Exercise Price	Expiry date
7,323,130	0.14	July 7, 2023
7,000,000	0.11	September 22, 2023
10,000,000	0.10	September 30, 2023
13,745,754	0.11	October 30, 2023
60,000	0.075	February 15, 2024
11,016,667	0.1175	February 16, 2024
27,200,000	0.20	March 16, 2024
2,200,000	0.135	July 26, 2024
264,000	0.09	July 26, 2024
937,857	0.0105	August 11, 2024
2,000,000	0.1688	August 6, 2025
2,222,222	0.185	September 1, 2025
6,250,000	0.120	November 18, 2025
437,500	0.08	November 18, 2025
1,600,000	0.1125	November 18, 2025
9,500,000	0.12	December 28, 2025
665,000	0.08	December 28, 2025
102,422,130	0.130	

(In Canadian dollars)

Stock option plan

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares. A continuity of stock options are presented as follows:

	Number of Options	Weighted Average Exercise Price
Balance, May 31, 2021	17,060,556	$ 0.13
Issued	500,000	0.105
Issued	4,000,000	0.075
Exercised	(1,800,000)	0.060
Balance May 31, 2022	19,760,556	$ 0.10
Issued	500,000	0.075
Balance May 31, 2023	20,260,556	$ 0.10

The following table summarizes information about stock options outstanding and exercisable at May 31, 2023, following the consolidation adjustment:

The Company provides compensation to directors, employees and consultants in the form of stock options.

Date of Grant	Number of Outstanding at May 31, 2022	Exercise Price	Date of Expiry	Number of Exercisable at May 31, 2023
June 5, 2019	5,955,556	$ 0.18	June 5, 2023	5,955,556
June 11, 2020	325,000	$ 0.18	June 11,2023	325,000
October 22, 2020	3,600,000	$ 0.10	October 30, 2025	3,600,000
April 8, 2021	5,380,000	$ 0.10	April 8, 2026	5,380,000
June 16, 2021	500,000	$ 0.105	June 16, 2026	500,000
February 16,2022	4,000,000	$ 0.075	February 16, 2027	4,000,000
October 4, 2022		$ 0.075	October 4, 2027	500,000
	19,860,556			20,260,556

The Company provides compensation to directors, employees and consultants in the form of stock options.

On June 16, 2021, the Company granted 500,000 options at a strike price of $0.105 and an expiry date of five years to a consultant. The fair value of $46,559 for the 500,000 stock options granted of $0.09 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were when exercisable a risk free interest rate of 0.8%, expected life of 5 years and historical volatility was used for calculation of expected volatility of 141%.

On February 16, 2022, the Company granted 4,000,000 options at a strike price of $0.075 and an expiry date of five years to officers, directors, employees, and consultants. The fair value of $220,802 for the 4,000,000 stock options granted of $0.06 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 0.017%, expected life of 5 years and historical volatility was used for calculation of expected volatility of 127%.

(In Canadian dollars)

On October 4, 2022 the Company granted 500,000 options at a strike price of $0.075 and an expiry date of five years to officers, directors, employees and consultants. The fair value of $31,839 for the 500,000 stock options granted of $0.08 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 0.0338%, expected life of 5 years and historical volatility was used for calculation of expected volatility of 124%.

12. INCOME TAX

The provision for income taxes varies from the amount that would be computed by applying the combined federal and provincial statutory tax rate of 27.0% (2021 – 27.0%) to loss before income taxes. The reasons for the differences are as follows:

	May 31, 2023	May 31, 2022
Income (loss) before income taxes	$ 1,301,043	$ (4,361,667)
Expected income tax expense (reduction) @ 27% (2022-27%)	$ 351,282	$ (1,177,650)
Non-deductible stock based compensation	8,597	72,187
Other non-deductible (taxable) items	60,979	60,251
Flow-through share spending	214,737	72,306
Change in unrecognized deferred tax assets	(635,595)	972,906
Subtotal	-	-
Flow-through share premium	(152,150)	(84,449)
Deferred tax recovery (a)	$ (152,150)	$ (84,449)

(a) The $152,150 (2022 - $84,449) of deferred income tax recovery above pertains to the deferred premium on flow through shares.

Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profits will be available against which the Company can utilize the benefit.

	May 31, 2023	May 31, 2022
Non-capital losses	$ 60,648,466	$ 63,370,251
Capital losses	15,803,777	15,803,777
Property, plant and equipment	198,843,991	198,698,473
Decommissioning obligations	201,025	173,608
Share issue costs	260,268	213,375
	$ 275,757,527	$ 278,244,484

The Company has non-capital losses of approximately $60.8 million which expire between 2026 and 2043.

(In Canadian dollars)

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2023	May 31, 2022
Financial liabilities		
Other accrual	$ 671,355	$ 776,581
Trade payables	1,281,062	727,251
	$ 1,952,417 $	$ 1,503,832

14. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings per share for the year ended May 31, 2023 was based on the income attributable to shareholders and a weighted average number of ordinary shares of 238,792,658 (2022-215,677,403). Diluted earnings per share for the year ended May 31, 2023 of $0.004 was based on 353,211,832 shares considering warrants and options outstanding. As a result of the Company being in a loss position all outstanding dilutive instruments are anti-dilutive in 2022.

15. RELATED PARTY

On June 29, 2022 the Company completed a Loan Conversion Agreement with Matlock Farms Ltd., a related party, owned by a director of the Company.

Principal plus accrued interest converted into a 3% net smelter royalty ('NSR') on the Bull River Mine project. The NSR is capped at a maximum of $6,750,000 ('Maximum NSR'). The Company will make semi-annual payments on or before June 30th and December 31st of each year of $150,000 as advance payments against the NSR and such payments shall be deducted against NSR.

Upon satisfaction of the Maximum NSR Payment, the royalty rate under the NSR shall be reduced from 3% to 0.25%. The 0.25% NSR can be purchased by the Company at any time for $1,000,000.

The required semi-annual non-interest bearing payments of $150,000 component of the agreement continues to be recorded by the Company as related party loan, valued on date of conversion at its estimated fair value using 15% as the Company's cost of capital. The Company recognized a gain on conversion of the remaining loan balance to a royalty of $3,749,380.

	Year Ended May 31, 2023	Year Ended May 31, 2022
Loan balance beginning of period	$ 5,334,102	$ 4,853,250
Interest payments	-	(175,000)
Gain on renegotiation of terms and share settlement	(3,749,380)	-
Accrued interest during the period	293,287	655,851
	1,878,009	5,334,102
Current portion	(450,000)	(5,334,102)
Long term portion	$ 1,428,009	$ -

(In Canadian dollars)

		May 31, 2023		May 31, 2022
Fees were charged by Director for corporate administrative and financial management services	$	60,000	$	46,000
Consulting fees were charged by officers and Directors		185,000		199,500
Accounting fees were charged by an officer for financial management services		50,035		102,795
Other				
Services provided to a contractor in which a Director of the Company is a significant shareholder		-		7,600
Stock based compensation to directors and officers		-		230,961
	$	295,035	$	586,856

16. LOANS PAYABLE

Loans payable		May 31, 2023		May 31, 2022
CEBA Loans	$	75,880	$	69,394
Ocean - Stockpile loan		1,417,561		1,221,250
		1,493,441		1,290,623
Less current portion		(1,493,441)		(45,362)
	$	-	$	1,245,261

16.1 CEBA Loans payable

On April 20, 2020, the Company received a $40,000 interest free loan due December 2023 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of $30,000 by the due date will result in $10,000 forgiveness.

On December 21, 2020 an additional $20,000 interest free loan due December 2023 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of $10,000 by the due date will result in $10,000 forgiveness.

During the Thierry acquisition the Company assumed a $60,000 interest free loan due December 2023 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. Payment of $40,000 by the due date will result in $20,000 forgiveness.

CEBA Loans		May 31, 2023		May 31, 2022
Beginning of year	$	69,373	$	69,394
Interest		6,507		6,678
Extension of payment date		-		(6,699)
		75,880	$	69,373)

(In Canadian dollars)

Government grants	**May 31, 2023**	**May 31, 2022**
Beginning of year	$ 24,244	$ 40,258
Amortization	(16,566)	(16,014)
	7,678	24,244
Less current portion	(7,678)	(14,477)
	$ -	$ 9,767

Government Grants are amortized on a straight line basis, assuming repayment in December 2023 to achieve forgiveness.

16.2 Ocean debt - Stockpile loan

On March 17, 2021, the Company entered into a Concentrate Purchase Agreement with Ocean Partners UK Ltd. (Ocean) for the sale of its copper concentrates (with gold and silver credits) from its Bull River Mine. Additionally, Ocean has agreed to provide the Company with a Pre-Payment Financing Facility against initial proceeds from milling of mineralized material on surface. The Company is required to deliver 45,000 wet metric tonnes of copper concentrate. Ocean shall have a right of first refusal on any remaining production thereafter from Bull River. Interest on any amounts drawn is at 12-month LIBOR plus 8.75%. The Ocean debt is secured by Bull River mining assets. Blended interest and principle repayments to commence in March 2022.

On March 13, 2021, the Company made an initial draw of $1,248,181 (USD $1,000,000) net of arrangement fees and expenses associated with lender due diligence and legal fees.

On December 6, 2021 the Company amended the Ocean loan agreement by extending the maturity date under the facility to September 30, 2023 or such earlier date if the Company is in default of the conditions under the agreement.

In connection with the amendment, the Company granted to Ocean Partners 10,000,000 warrants of the Company with each warrant exercisable into a common share of the Company at an exercise price of $0.10 per warrant until September 30, 2023 or such earlier date if the maturity date under the facility is accelerated due to an event of default under the agreement. A $223,526 loss on renegotiation of long term debt. There is also an additional US $20,000 to be paid on the earliest of (i) September 30, 2023: and)ii) the date on which Agreement is terminated in accordance with the terms.

The fair value of $286,308 for the 10,000,000 warrants issued of $0.03 per warrant was calculated at the issue date using the Black-Scholes pricing model. The assumptions for this calculation were a risk free interest rate of 1.03%, expected life of 1.82 years and historical volatility was used for calculation of expected volatility of 109%.

(In Canadian dollars)

Ocean Debt	May 31, 2023	May 31, 2022
Beginning of year	$ 1,221,250	$ 1,129,665
Interest accrued	221,562	194,377
Impact of loan extension	-	(88,342)
Interest paid	(118,263)	(93,033)
Impact of loan modification	20,844	-
Foreign exchange (gain) loss	72,168	78,583
	1,417,561	1,221,250
Less current portion	(1,417,561)	(45,362)
	$ -	$ 1,175,888

17. DECOMMISSIONING LIABILITIES

The Company estimates the total undiscounted cash flows to settle its decommissioning obligations are approximately $691,308 in 2033 and $2,596,147 in 2041 for the Bull River Mine and Thierry Mine respectively. A Company credit adjusted risk-free interest rate of 15.0% (2022 – 15%) and an estimated inflation rate of 3.0% (2022 – 3%) was used to calculate the present value of decommissioning obligations.

Decommissioning obligations activities during the year	May 31, 2023	May 31, 2022
Beginning of year	$ 173,608	$ 295,597
Adjustment for increase in mine life	-	(167,955)
Accretion	27,417	45,966
	$ 201,025	$ 173,608

18. COMMITMENTS AND CONTINGENCIES

In July 2022 the Company has committed to spend $396,000, another $620,000 in November 2022 and another $760,000 in December 2022 from amounts raised through flow-through financing on eligible Canadian exploration and development expenses prior to December 31, 2023 (note 8).

As at May 31, 2023 the Company estimates $981,000 remaining commitment on eligible Canadian exploration and development expenses by December 31, 2023. Subsequent to May 31, 2023 the Company has spending of approximately 588,000 associated with its drilling program at Thierry.

In connection with the Exploration Memorandum of Understanding with the Mishkeegogamang First Nation, the Company has committed to contribute $60,000 annually to the Mishkeegogamang Community Fund to benefit the community.

The Company has entered into a Capacity Funding Agreement with the Ktunaxa Nation Council (the "KNC) regarding its Bull River Mine Project. The Capacity Funding Agreement provides a framework for the purposes of information sharing and engagement, and where appropriate, accommodation, between the Company and Ktunaxa First Nations. The Company has commitments of up to $140,000 for the purpose of defraying the costs incurred by the KNC in carrying out and completing the regulatory review of the Bull River Mine application in addition to other engagement activities between the Company and the Ktunaxa First Nations.

See also note 9 for discussion of NSR commitments associated with the royalty agreement.

19. EVENTS AFTER THE REPORTING PERIOD

On June 19, 2023 the Company issued 7,000,000 units at $0.05 per unit for $350,000. Each Unit is to consist of one Common Share and one common share purchase warrant, which warrant shall be comprised of (i) one-half of one warrant, with a full warrant exercisable into one common share at an exercise price of $0.075 for a period of 24 months, and (ii) one-half of one warrant, with a full warrant exercisable into one Warrant Share at an exercise price of $0.10 for a period of 24 months.

On July 19, 2023, the Company granted 9,850,000 options at a strike price of $0.05 and an expiry date of three years to directors, officers, employees, and consultants. 6,280,556 options at a strike price of $0.18 expired unexercised.

14,323,130 common share purchase warrants expired unexercised.

CANADIAN CRITICAL MINERALS INC.
(formerly BRAVEHEART RESOURCES INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2023

The following management's discussion and analysis ("**MD&A**") is management's assessment of the results and financial condition of Canadian Critical Minerals Inc. ("**CCMI**" or the "**Company**") and should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2023 ("**2023**"), which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts are in Canadian dollars, unless otherwise noted. The date of this MD&A is September 26, 2023. CCMI's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be accessed through the Internet at www.sedar.com, or on the Company website www.canadiancriticalmineralsinc.com.

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1. DESCRIPTION OF BUSINESS

CCMI is a Canadian-based exploration company focused on acquiring, exploring and developing mineral properties throughout Canada, principally in British Columbia and Ontario.

On January 19, 2023, the Company changed its name to Canadian Critical Minerals Inc. from Braveheart Resources Inc. The new name better reflects the Company's current focus on developing its past-producing mining assets in Canada in the battery and critical minerals space. The Bull River Mine project is our most advanced asset and we continue to work with regulatory authorities to restart the mine. The Thierry Mine project is one of the largest known copper deposits in Ontario and is in close proximity to existing infrastructure such as roads, grid power and mining communities. In addition to copper, the Thierry Mine project has other critical minerals including nickel, palladium and platinum.

The Company is listed on the TSX Venture Exchange, having the symbol CCMI as well as the OTCQB Venture Market in the United States, having the symbol RIINF. The consolidated financial results include Canadian Critical Minerals Inc. and its wholly-owned subsidiaries, Pickle Lake Minerals Inc. (subsequent to December 23, 2020 acquisition) and Purcell Basin Minerals Inc., and its wholly-owned subsidiaries Bull River Mineral Corporation, Gallowai Metal Mining Corporation, and Grand Mineral Corporation.

2. HIGHLIGHTS OF THE YEAR AND SUBSEQUENT

Highlights for the year ended May 31, 2023 include:

Conversion of Related Party Loan to Royalty

On June 29, 2022 the Company completed a loan conversion agreement with a related party. (Note 15)
The agreement converted into a 3% net smelter royalty("NSR"). The NSR will be capped at a maximum of $6,750,000.

Highlights of the Agreement include the following:
1. The NSR will be capped at a maximum of $6,750,000 (the "Maximum NSR Payment"). The Company will make semi-annual payments on or before June 30th and December 31st of each year of $150,000 as advance payments against the NSR and such payments shall be deducted against and reduce the Maximum NSR Payment.
2. Upon satisfaction of the Maximum NSR Payment, the royalty rate under the NSR shall be reduced from 3% to 0.25%. The 0.25% NSR can be purchased by the Company at any time for $1,000,000.
3. Upon execution of the Agreement, the obligations owed by the Company to the Lender under the Loan Agreement shall be paid in full and all other indebtedness of CCMI under the Loan Agreement shall be satisfied in full.

The Company recognized a $3,749,380 gain on conversion and continues to account for the regular semi-annual non-interest bearing payments of $150,000 as related party loan, with an estimated value of $1,647,445 on date of conversion.

Ocean Partners Loan Renegotiations

On October 20, 2022 the Company amended its Concentrate Offtake Agreement and Stockpile Financing Facility with Ocean Partners UK Ltd. ('Ocean") effective October 1, 2022.

Under the newly amended terms the parties have agreed to extend the date for repayment of monies drawn from the Facility from September 30, 2022 until September 30, 2023. Interest on any monies drawn from the Facility has been increased from 12-month LIBOR plus 8.75% to 12-month LIBOR plus 10.25%. The renegotiated terms resulted in the Company recording a loss on modification of long term debt terms of $114,966 during the quarter ended November 30, 2022.

More recently, the Company has been in discussions with Ocean Partners with the Stockpile loan of $1,417,561 as at May 31, 2023 due September 30, 2023. The Company and Ocean are actively discussing debt settlement options.

Bull River Project Permitting Update

On May 9, 2023 the Company announced the successful conclusion of the Preliminary Application Phase of the Joint Mines Act and Environmental Management Act Permit Amendments for the restart the Bull River Mine Project. The Company has received written confirmation of the information that is required for our Final Permit Application to be considered complete and ready for ministry consideration through an Application Instruction Document ("AID"). The next step will be for the Company to prepare and submit a Final Permit Application to the Ministry of Energy Mines and Low Carbon Innovation ("EMLI") and the Ministry of Environment and Climate Change Strategy ("ENV"). The Final Permit Application will be processed by the Major Mines Office ("MMO") through a Screening Phase.

The Company has notified EMLI and ENV of its intent to submit a joint Mines Act/Environmental Management Act ("MA/EMA") permit amendment application for the BRM project. The Company is seeking amendments to its existing permits issued under the BC Mines Act and BC Environmental Management Act that will allow the Company to restart the mill and deposit tailings on surface. The Company has received a final Joint MA/EMA Information Requirements Table ("JIRT") which defines the technical aspects that should be included in the Final Permit Application. Further information, in addition to the final JIRT, may still be required as a result of new information, consultation with Indigenous groups and/or changes to the project.

The Company began this application process approximately three years ago with the submission of a Project Description. In anticipation of the Final Permit Application requirements, the Company has completed several long-term studies including a detailed engineered tailings disposal plan, surface and groundwater baseline monitoring programs over a two-year period, and a fisheries and aquatic study.

The Company is currently completing hydrogeology and hydrology studies as well as tailings characterization in support of the application. The Company plans to advance the BRM project in a phased approach wherein the Company will initially process mineralized copper bearing material from a surface stockpile. Subsequently, the Company plans to resume mining from the underground which has been maintained in a dewatered condition since 2010.

The British Columbia Environmental Assessment Office ("EAO") had previously reported that the Bull River Mine Project has been designated as non-reviewable under the Environmental Assessment Act (2018).

On March 21, 2022, the EAO received written notification from the Ktunaxa Nation Council ('KNC") requesting that the Company's proposed amendments to its Mines Act permit M-33 and its Environmental Management Act permit PE-16034, to facilitate a restart of the Project, be designated as reviewable under Section 11 of the Environmental Assessment Act (2018) (the "Act"). Further to a thorough and extensive review, the Chief Executive Assessment Officer of the EAO determined that the Bull River Project has substantially started and that it is not an eligible project as outlined in Section 11(1) of the Act. The evaluation of the request and the reasons for the decision by the Chief Executive Assessment Officer is posted publicly and can be viewed at EAO Project Information Centre. The Chief Executive Assessment Officer further determined that the potential effects of the Bull River Project can be appropriately managed through the permit amendment process under the Mines Act and Environmental Act which will include consultation with KNC, and that it would not be in the public interest to designate the Project as reviewable.

Facilities Agreement with BC Hydro for Bull River Mine

The Company has executed a Facilities Agreement ("FA") with British Columbia Hydro and Power Authority ("BCH") for its Bull River Mine. The FA was completed following a Facilities Study ("FS") by BCH to define interconnection requirements and establish a timetable for BCH's ability to meet the Company's proposed service date. The reconnection previously scheduled to be completed on or before June 30, 2023 was rescheduled by mutual agreement because the mine can not utilize 5,000 kVA of power during care and maintenance and if the mine reconnects to the new supply and can't accept a minimum of 50% of the demand it will incur penalties. The reconnection will not occur until after the Company receives permission to restart the mine.

The Bull River Mine project is currently connected to BCH through a 12.47kV service line which provides up to 2,000 kVA in contract demand which is sufficient to continue with care and maintenance activities including dewatering of the underground mining infrastructure. Under the new FA, BCH will reconnect the Company to an existing 66kV transmission line which will provide up to 5,000 kVA in contract demand to the property. The increased demand is required for the Company to restart the mill and resume underground mining operations. The new transmission interconnection provides for reductions in energy and demand charges relative to the current unit rates. BCH's estimate for system reinforcements and revenue metering associated with the reconnection is $150,000. The cost estimate has an accuracy range of +35%/-15%. The Company has advanced $75,000 towards the reconnection. All key components have now been secured. The Company looks forward to working with BCH to complete the reconnection.

Bull River Mine Potential Ore Sales and Ore Sorting

Ore sorting or pre-concentration of mineralized material has the potential benefits of increasing the mill feed grade which can result in an improved net present value ("NPV") of a mining project. Potential benefits include a lowering of operating costs on a unit basis, a reduction in the volume of fine tailings created through the milling process and the overall volume of material transported to the tailings storage facility, a reduction in power consumption particularly in the grinding circuit and a lower overall environmental impact. At the BRM, the fines and concentrated material accepted by the Sorter will provide feed for the mill and the waste material will not be milled.

By pre-concentrating higher-grade material, the Company will have optionality to ship pre-concentrated material to another permitted milling facility in British Columbia thereby generating early revenues. The Company has secured a Steinert KSS 100 X-Ray Transmissive Ore Sorter ("Sorter") for up-grading of mineralized copper bearing material currently stockpiled on surface at its Bull River Mine ("BRM") project near Cranbrook, British Columbia. The Sorter will be leased for a period of 12 months during which time the Company plans to screen, crush and sort the entire stockpile of approximately 180,000 tonnes of mineralized material.

Previously, the Company completed a positive ore sorting study on the BRM stockpile material using a similar X-Ray technology ("XRT") supplied by TOMRA Sorting Solutions (see press release dated April 19, 2021). XRT was determined to be the most appropriate technology for BRM material. In that study, 61% of the material reporting to the sorter was accepted as mineralized and 39% was rejected as noneconomic low grade or waste. The average grade of rejected material was 0.17% copper equivalent ("CuEq") which is well below the cut-off grade ("COG") for the current Resource. The Company intends to pre-screen the entire stockpile, thereby removing approximately 25% of the mineralized material as fines. The remaining oversize material will be crushed to minus 3 inch and this material will report to the Sorter.

Thierry Drilling Program

Assay results from the first two drill holes of a seven hole 2,600 metre exploration program that was completed at the Thierry Mine Project near Pickle Lake, Ontario in July 2023 were detailed in a press release on September 20, 2023. Assay results for the remaining five holes are pending.

Subsequent to year ending May 31, 2023, in July 2023 the Company completed a summer drilling program designed to focus on expanding upon the K1-1 deposit, which is a large tonnage, near surface deposit located approximately 3 km east of the past producing Thierry Mine. The K1-1 deposit has a current Inferred Mineral Resource within an optimized Whittle pit shell consisting of the following: 53,614,000 tonnes grading 0.38% Cu, 0.10% Ni, 1.8 g/t Ag, 0.03 g/t Au, 0.05 g/t Pt and 0.14 g/t Pd at a NSR of C$12/tonne (see NI 43-10 Technical Report filing on SEDAR dated February 22, 2021).

Early Highlights are as follows:

CCM-23-51 intersected 106 metres of 0.539% Copper Equivalent ("CuEq") mineralization (including 23.2 metres of 0.875 % CuEq mineralization) within continuous sulphide mineralization which started at surface and extended 248 metres down the hole, grading 0.438% CuEq.

CCM-23-52 intersected 31.2 metres of 0.677% CuEq mineralization and 22.8 metres of 0.670% CuEq mineralization within continuous sulphide mineralization which started at surface and continued for 243.9 metres down the hole, grading at 0.382% CuEq.

Each hole intersected continuous zones of sulphide mineralization from surface and continued for more than 240m down the hole. The holes were drilled at 45 degrees dip to intersect mineralized lenses dipping at 50 degrees to the north, thereby representing intercepts of approximate true width.

FINANCING ACTIVITIES

Private Placements – Equity Fundraising

On July 27, 2022, the Company issued 4,400,000 units at $0.09 per unit for $396,000. Each unit is comprised of one flow through common share and one-half warrant. Each warrant is exercisable into a common share at a price of $0.135 per share for a period of 24 months from offering. Commissions totaling $23,760 and 264,000 finders fees warrants were issued exercisable into a common share at a price of $0.09 per share until July 26, 2024.

On August 11, 2022, the Company issued 939,857 units at $0.07 per unit for $65,650. Each unit is comprised of one common share and one warrant. Each warrant is exercisable into a common share at a price of $0.105 per share for a period of 24 months from offering.

On November 18, 2022 the Company issued 1,600,000 units at $0.075 per unit comprised of one common share and one warrant exercisable into a common share at a price of $0.1125 per share for a period of 36 months from offering and 6,250,000 units at $0.08 per unit comprised of one flow-through common share and one warrant exercisable into a common share at a price of $0.12 per share for a period of 36 months for $620,000

On December 28, 2022, the Company issued 9,500,000 units at $0.08 per unit for $760,000. Each unit is comprised of one flow through common share and one warrant. Each warrant is exercisable into a common share at a price of $0.12 per share for a period of 36 months from offering.

Subsequent to May 31, 2023, (on June 19, 2023) the Company issued 7,000,000 units at $0.05 per unit for $350,000. Each Unit is to consist of one Common Share and one common share purchase warrant, which warrant shall be comprised of (i) one-half of one warrant, with a full warrant exercisable into one common share at an exercise price of $0.075 for a period of 24 months, and (ii) one-half of one warrant, with a full warrant exercisable into one Warrant Share at an exercise price of $0.10 for a period of 24 months.

MINING PROPERTY DEVELOPMENT

Bull River Mine Development Mine Permitting

The Company announced the successful conclusion of the Preliminary Application Phase of the Joint Mines Act and Environmental Management Act Permit Amendments for the restart the Bull River Mine Project. The Company has received written confirmation of the information that is required for its Final Permit Application to be considered complete and ready for ministry consideration through an Application Instruction Document ("AID"). The next step will be for the Company to prepare and submit a Final Permit Application to the Ministry of Energy Mines and Low Carbon Innovation ("EMLI") and the Ministry of Environment and Climate Change Strategy ("ENV"). The Final Permit Application will be processed by the Major Mines Office ("MMO") through a Screening Phase.

The Company continues to work closely with the British Columbia Ministry of Environment and Climate Change Strategy ("ENV") and the Ministry of Energy, Mines and Low Carbon Innovation ("EMLI") on its application to restart the Bull River Project. The Company is pursuing a Joint Mines Act and Environmental Permit Amendment process wherein the Company is requesting an amendment to the current effluent discharge permit and permission to dispose of filtered tailings in a new tailings storage facility on surface. The primary change to the effluent discharge permit will be the inclusion of additional element testing but the current discharge location will not change nor will the anticipated volume of discharge to the environment.

To-date, the Company has submitted an updated project description and an information reporting table ("IRT") and responded to screening responses from regulators. The Company has recently been notified of EMLI's plans to establish a Mine Review Committee and prepare for engagement with the Ktunaxa Nation Council ("KNC").

VAST Resources Solutions Inc. ("VAST") is the environmental consulting firm that is assisting the Company with the application process. CCMI recently engaged Tetra Tech Canada Inc. ("Tetra Tech") to assist with geochemical components of Phase 1 of the mining permit submission. Phase 1 of the restart will include the initial processing of a 180,000-tonne stockpile of mineralized material currently on surface. Tetra Tech assisted previous owners of the Project with assessment and characterization of geologic materials since 2006. Tetra Tech will assist the Company initially with Acid Rock Drainage and Metal Leaching ("ARD ML") related components of the application.

Hydroelectric Reconnection Project

On January 25, 2023, the Company announced that it has executed a Facilities Agreement ("FA") with British Columbia Hydro and Power Authority ("BCH") for its Bull River Mine. The FA was completed following a Facilities Study ("FS") by BCH to define interconnection requirements and establish a timetable for BCH's ability to meet the Company's proposed service date.

On December 7, 2020, the Company, received a positive System Impact Study ("SIS") from British Columbia Hydro and Power Authority ("BCH") for upgrading the hydroelectric capacity at the Bull River Mine project ("BRM"). The Company is proposing to reconnect to an existing 66kV power line that is immediately adjacent to the property. This power line is the same line that supplied hydroelectric power to the site during previous operations up until 2013. The SIS determined that it is technically feasible to interconnect the proposed BRM load of 7.5 MVA to the BCH transmission system.

Dry Stack Tailings

In support of its permit applications for a new permit to store tailings on surface, management has engaged Stantec Consulting Ltd. ("Stantec") to design a new Tailings Storage Facility ("TSF") at its 100% owned Bull River Mine property near Cranbrook, British Columbia. The TSF design will be used as part of the re-start plan, the mine requires the construction of a new TSF to manage tailings waste from the processing of an existing stockpile of mineralized material on surface and future underground mining at the site. CCMI has identified a possible location for the TSF within the existing mine permit boundary and adjacent to the process plant. Filtered tailings (also referred to as dry stack tailings) has been identified as the preferred tailings deposition technology for the new TSF. Permitting of the new TSF will require completion of a Best Available Technology ("BAT") options assessment as per EMLI (Ministry of Energy, Mines and Low Carbon Innovation) regulations. Should the BAT assessment identify other technologies as better options for the project, Stantec and CCMI will review the impacts on the regulatory application process. Stantec possesses global mining and extensive experience in the design and development of tailings storage facilities, waste rock storage facilities, and associated water management structures. Their expertise extends from feasibility level to detailed design, site construction, and supporting mines from operations through closure. They have successfully completed designs and obtained mine permits in British Columbia for tailings facilities, mine rock dumps and water management dams.

Potential Sale of Stockpiled Material at BRM

The Company is currently investigating options for the sale of some or all of the surface stockpile of mineralized material at BRM to generate revenues for the Company. Notionally, the Company would sell stockpiled material through an ore sale/purchase agreement to a milling facility in southern British Columbia that is permitted to accept custom mill feeds.

3. MINERAL PROPERTY EXPLORATION ACTIVITIES

3.1 Thierry Property

Assay results from the first two drill holes of a seven hole 2,600 metre exploration program that was completed at the Thierry Mine Project near Pickle Lake, Ontario in July 2023 were detailed in a press release on September 20, 2023. Assay results for the remaining five holes are pending.

4. MINERAL PROPERTY EXPENDITURES AND COMMITMENTS

4.1 Mineral Property Expenditures

CCMI's acquisition costs on mineral properties through the year ended May 31, 2023 were as follows:

Mineral Property	Balance May 31, 2022	Additions	Adjustments	Balance May 31, 2023
Purcell – Bull River	**2,020,677**	**-**	**-**	**2,020,677**
Thierry	**2,166,181**	**-**	**-**	**2,166,181**
Total	**$ 4,186,858**	**-**	**-**	**$ 4,186,858**

The revisions in Purcell and Thierry are due to changes in estimates for decommissioning obligation and contingent consideration respectively.
CCMI's expenditures on mineral properties during the year ended May 31, 2023 were as follows:

	Mining Exploration Expense	
Mineral Property	**May 31, 2023**	**May 31, 2022**
Alpine	**$ -**	**$ 26,212**
Purcell Bull River	**361,040**	**760,802**
Thierry	**60,425**	**82,654**
Total	**$ 421,465**	**$ 869,668**

5. RESULTS OF OPERATIONS

5.1 Analysis of Key Variances

Results of operations for the year ended May 31, 2023 resulted in a net income of $1,453,193 compared to a net loss of $4,277,218 for the prior year.

		Year Ended	
		May 31 2023	May 31 2022
Revenue	**$**	**-**	$ 123
Expenses			
Marketing and advertising	**$**	**9,137**	$ 45,190
Consulting fees		**456,755**	557,135
Amortization		**198,431**	195,602
Accretion		**27,417**	45,966
Administrative expenses		**385,899**	375,812
Professional fees		**161,561**	213,014
Salaries and wages		**173,303**	211,106
Supplies and maintenance		**246,303**	299,443
Mining exploration and development expenses		**421,465**	869,668
Mining tax credit		**(179,697)**	(37,151)
Share based compensation		**31,839**	267,361
Interest expense		**521,356**	853,332
Expenses		**2,453,769**	3,896,478
Other (income) expenses		**(81,667)**	(16,014)
Bad debts expense		**-**	59,609
Gain on modification of related party debt		**(3,749,380)**	-
Loss on modification of long term debt		**20,844**	-
Loss on extinguishment of long term debt		**-**	223,526
(Gain) loss on sale of assets		**-**	125,000
Foreign exchange (gain) loss		**75,404**	82,016
Interest income		**(20,013)**	(8,825)
Net income (loss) before taxes	**$**	**1,301,043**	**$** (4,361,667)
Deferred income tax recovery		**(152,150)**	(84,449)
Net income (loss) and comprehensive income (loss) for the period	**$**	**1,453,193**	(4,277,218)

Expenses were reduced from year to year by $1,442,709 with the most significant changes as follows:

$448,203 Decrease - Mining exploration and development expenses
Mining exploration and development expenses for the year ended May 31, 2023 were considerably reduced with no drilling activities at Bull River. More recent drilling activities at Thierry occurred predominantly subsequent to May 31, 2023.

$235,522 Reduction - Share based compensation
500,000 options with average $0.075 exercise price were issued during the year ended May 31, 2022 compared to 4,500,000 with average $0.075 exercise price in the previous year.

$331,976 Reduction - Interest expense June 29, 2022 conversion of related party loan to royalty contributed to reduced interest expense comparative year to year offset by increased interest cost associated with Ocean debt revised terms effective October 1, 2022.

$142,546 Increase – Mining Tax Credit During 2023 credits were earned for two fiscal years (2021 and 2022) in 2023 on the completion of CRA's audit of 2021.

Non operating income/expense variances:

$(3,749,380) Gain on Modification of related party debt terms in 2022
The Company recognized a gain associated with the conversion of a related party loan to a royalty.

$(125,000) Loss on Sale of asset in 2022
The Company advised the owner of the Alpine Gold Mine Property of its intention to forfeit the option and recognized an impairment loss of $125,000.

$(223,526) Loss on renegotiation of long term debt
The Company recognized a $223,526 loss on renegotiation of long term debt where debt repayment terms were extended to December 31, 2023 and 10,000,000 warrants were issued to the lender.

Selected Annual Information

The following table sets forth selected annual financial information of the Company for, and as of the end of, each of the last three fiscal years. The selected financial information should be read in conjunction with the Company's annual financial statements and related notes thereto for the years ended May 31, 2023, 2022, and 2021.

	2023	2022	2021
Revenues	$ -	$ 123	$ 11,007
Net income (loss)	1,453,193	(4,277,218)	(7,192,276)
Net loss per share (1)	0.006	(0.020)	(0.049)
Total assets	13,976,557	13,592,324	15,012,048
Short term liabilities	3,903,535	6,897,772	3,106,452
Long term liabilities	1,687,634	1,428,636	4,585,093
Working capital (deficiency)	(2,921,030)	(6,512,741)	(1,422,997)

(1) Basic net income (loss) per share and net income (loss) per share.
Operating costs have been consistent year to year with the exception of the following:

2023 compared to 2022
During the year ending May 31, 2023, the Company recognized a gain associated with the conversion of a related party loan to a royalty of $3,749,380 and operating expenses were reduced by 1,442,709.

6. QUARTERLY FINANCIAL INFORMATION

The following is selected financial data from the quarterly interim consolidated financial statements of CCMI for the last eight completed fiscal quarters ending May 31, 2021. This information should be read in conjunction with CCMI's audited annual and unaudited interim consolidated financial statements for the periods below.

	May 31, 2023	Feb. 28, 2023	Nov. 30, 2022	August 31, 2022	May 31 2022	Feb. 28 2022	Nov. 30, 2021	Aug. 31, 2021
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(a) Revenue	$ -	$ -	$ -	$ -	$-	$-	$73	$50
(b) Net income (loss) and comprehensive income (loss)	(272,672)	(549,319)	(737,380)	3,012,564	(1,435,135)	(1,299,452)	(648,394)	(894,240)
(c) Net income (loss) per share –basic and fully diluted[(1)]	$(.006)	$(.0002)	$(.003)	$.013	$(.020)	$(.006)	($0.003)	($0.004)

(1) Fully diluted weighted average common shares outstanding, used in the calculation of fully diluted net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation.

During the quarter ending August 31, 2022, the Company recognized a gain associated with the conversion of a related party loan to a royalty of $3,749,380.

7. FINANCIAL CONDITION

CCMI intends to obtain proceeds from additional equity financing or prospective lenders to settle the Ocean Partner stockpile loan due September 30, 2023 as well as capital development of the Bull River mining facilities for ore mining operations or ore processing and exploration expenditures, and general and administrative expenditures; however, there can be no assurance that additional capital or other types of financing will be available or that, if available, the terms of such financing will be favourable to CCMI.

8. LIQUIDITY AND CAPITAL RESOURCES

The consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company for the year ended May 31, 2023 had a net income of $1,453,193 (cumulative deficit of $(26,525,684) and used cash flow in operating activities of $1,144,089. At year end May 31, 2023, the Company, has a working capital deficit of $2,921,030 and raised cash of $350,000 subsequent to year-end (note 19). The Company will be required to raise significant financing to fund both ongoing operating activities and the capital required to develop its existing mining properties. The Company has debt maturities totaling $1,493,441 (note 16) for which repayment will be required. The Company will have to raise significant additional funds to advance its exploration and development activities and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. Further, the Company's continued existence is dependent upon the preservation of its interest in the underlying mineral properties, the discovery of economically recoverable mineral reserves and the achievement of profitable operations.

As a result of these risks, there exists a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses or statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

CCMI is wholly dependent on equity or debt financing to complete acquisition, exploration, and development of its exploration and evaluation assets. CCMI does not expect to generate any significant revenues from operations until earliest winter of 2023.

CCMI is dependent on external financing to fund its acquisitions and exploration activities. In order to carry out further exploration and pay for general and administrative costs, CCMI may spend its existing working capital and attempt to raise additional funds as needed. CCMI will continue to assess new properties and seek to acquire interests in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The ability of CCMI to successfully acquire additional mineral properties and proceed with exploration activities on current properties is conditional on its ability to secure financing when required. CCMI proposes to meet additional capital requirements through equity financing. In light of the continually changing financial markets, there is no assurance that new funding will be available at the times or in the amounts required or desired by CCMI, or upon terms acceptable to CCMI or at all.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of CCMI, is reasonable. There were no changes in CCMI 's approach to capital management during the year ended May 31, 2023. CCMI is subject to externally imposed capital requirements of its loan agreements discussed in notes 16 and 17 of the financial statements.

9. OFF-BALANCE SHEET ARRANGEMENTS

Other than those commitments and contracts previously discussed, CCMI had no other off-balance sheet arrangements at May 31, 2023.

10. OUTLOOK AND FUTURE WORK

CCMI is focussed on:

Bull River Project – continued efforts to complete permitting requirements, completing capital improvements and upgrades to ready for anticipated 2023 mining operations. CCMI continues to work with the Ministry of Energy, Mines and Low Carbon Innovation ("EMLI"), the Ministry of Environment and Climate Change Strategy ("ENV") and the Environmental Assessment Office ("EAO") of British Columbia on its pre-application process to amend its current Mines Act permit M-33 and Environmental Management Act permit PE-16034 at the Bull River Mine near Cranbrook, British

Columbia to facilitate a restart of operations. CCMI plans to restart operations at the designed capacity of 700 tonnes per day.

On May 3, 2022, CCMI received notification from the EAO that they had received written notification from the Ktunaxa Nation Council requesting that the Bull River Mine Project be designated as reviewable under Section 11 of the Environmental Assessment Act (2018). The Company contends that the project should not be reviewable because it is not new, it is substantially built and there will not be any material change to the current disturbance area. This request and the Company's response is posted publicly and can be viewed at EAO Project Information Centre. The EAO completed their draft review on July 21, 2022, and have provided interested parties up until August 11, 2022.

Thierry Project – CCMI plans continued exploration work on K1-1 based on initial results of our July 2023 drilling program. CCMI is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and gold price volatility. There is no assurance that CCMI's funding initiatives will continue to be successful to fund its planned exploration activities.

An investment in CCMI's securities is speculative.

11. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The consolidated financial statements for the year ended May 31, 2023 have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, CCMI is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that CCMI's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The preparation of these audited consolidated financial statements in accordance with International Accounting Standard as issued by the International Accounting Standards Board ("**IASB**"), requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These audited consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the audited consolidated financial statements and may require accounting adjustments based on future occurrences. 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 economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, 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, but are not limited to, the following:

- CCMI assesses the carrying value of exploration and evaluation assets each reporting period to determine whether any indication of impairment exists. The calculation of recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, recoverable metals, and operating performance;
- Due to the complexity and nature of CCMI's operations, various legal and tax matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or

fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In the opinion of management, these matters did not have a material effect on CCMI's financial position or results of operations as at and for the year ended May 31, 2023; and

- Management's assessment of the going concern assumption requires judgment with respect to the funds to be available over the next twelve months.

12. SIGNIFICANT ACCOUNTING POLICIES

CCMI's significant accounting policies are summarized in the notes to the audited annual consolidated financial statements for the year ended May 31, 2023. CCMI is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. The policies described below, and estimates related to them, have the most significant effect in preparation and presentation of CCMI's consolidated financial statements.

12.1 Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are charged to operations as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and share based payments to employees and consultants, are expensed in the period in which they occur.

The acquisitions of mineral property interests are initially measured at cost. Mineral property acquisition costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalized until the property to which they relate is placed into production, sold or allowed to lapse.

Exploration and evaluation costs incurred prior to determination of the feasibility of mining operations are charged to operations as incurred. Mineral property acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred.

12.2 Share-Based Payment Transactions

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense or capitalized to exploration and evaluation assets for grants to individuals working directly on mineral properties with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Fair values of share-based payments (including stock options and warrants) are determined based on estimated fair values at the time of grant using the Black-Scholes option pricing model.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expense in profit or loss.

Share-based payment arrangements in which CCMI receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by CCMI.

13. ACCOUNTING ISSUES

13.1 Management of Capital Risk

The objective when managing capital is to safeguard CCMI's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders, benefits to other stakeholders and to have sufficient funds on hand to meet its exploration and development plans to ensure the ongoing growth of the business.

CCMI considers as capital its shareholders' equity and cash and equivalents. CCMI manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, CCMI may issue new common shares through private placements, repurchase shares, sell assets, incur debt, or return capital to shareholders. CCMI will require additional funds to carry out capital development and exploration on its mineral properties. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. Due to the cyclical nature of the industry, there is no guarantee that when B CCMI needs to raise capital, there will be access to funds at that time.

13.2 Management of Financial Risk

CCMI is exposed to various property and financial risks and assesses the impact and likelihood of this exposure. These risks include property risk, credit risk, liquidity risk, market risk, interest rate risk and commodity price risk. Where material, these risks are reviewed and monitored by the Board of Directors and they are more fully described in note 5 to the financial statements for the ended May 31, 2023.

14. OUTSTANDING SHARE DATA

	Number of Shares
Common shares outstanding – May 31, 2022	**205,548,362**
Share issue for cash	**18,249,797**
Shares issued on exercise of options	**1,800,000**
Shares issued for property acquisition	**250,000**
Common shares outstanding – May 31, 2023	**250,186,016**

CCMI has an authorized share capital consisting of an unlimited number of common shares.

Subsequent to May 31, 2023, the Company issued –
-7,000,000 in private placement.
As at September 26, 2023, there were 257,186,016 common shares outstanding.

14.1 Warrants

	Number of Warrants
Warrants outstanding – May 31, 2022	**86,395,106**
Expired	**(5,827,333)**
Issued finders fees warrants	**1,102,500**
Issued	**20,751,857**
Warrants outstanding – May 31, 2023	**102,422,130**

Subsequent to May 31, 2023 –
- the Company issued 7,000,000 in a private placement and 14,323,130 common share purchase warrants expired unexercised.

As at September 26, 2023, there were 95,099,000 warrants outstanding.

14.2 Stock Options

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares. The following summarizes the employees, directors, officers and consultants stock options that have been granted, exercised, expired, vested or cancelled during the period ended May 31, 2023:

	Number of Options	Weighted Average Exercise Price
Balance, May 31, 2022	19,760,556	$ 0.100
Issued	500,000	0.075
Balance, May 31, 2023	20,260,556	$ 0.100

Subsequent to May 31, 2023 –
- the Company granted 9,850,000 stock options and 6,280,556 expired unexercised. As at September 26, 2023, there were 24,980,000 warrants outstanding.

15. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and harmonized sales tax, accounts payable and accrued liabilities, due to related parties, loans payable and government grants. The fair value of the Company's accounts payable and accrued liabilities, due to related parties, loans payable, are estimated by management to approximate their carrying values. Cash and cash equivalents is recorded at fair value using Level 1 quoted prices in active markets for identical assets or liabilities and, in management's opinion, the Company is not exposed to significant interest or credit risk from these financial instruments. Please refer to Note 5 for detailed discussion of the financial risk factors.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- interest rate risk
- price risk
- commodity price risk
- foreign currency risk

The Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivables, and cash and equivalents.

The Company considers this risk to be low.

Accounts Receivables

Receivables are measured at carrying value and are subject to credit risk exposure.

Cash and cash equivalents and deposits

At times when the Company's cash position is positive, cash deposits are made with financial institutions having reasonable local credit ratings.

(ii) Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used to operating cost, finance working capital, exploration expenditures, evaluation expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents.

As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy and ongoing operations and liquidity of the Company. Budgets and forecasts are subject to significant judgement and estimates relating to activity levels, future cash flows and the timing thereof and other factors which may or may not be within the control of the Company. The current volatility in commodity prices and overall global market uncertainty creates significant inherent challenges with the preparation of financial forecasts. See further discussions relating to going concern and liquidity in note 1 to the financial statements.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Related party loans are at fixed rates and loans payable are variable.

(iv) Commodity price risk

The value of the Company's exploration and evaluation assets are related to the price of gold, copper, and other mineral commodities. Adverse changes in the price of gold and copper can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Gold, copper, and other mineral commodities prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank reserves, management forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand due to speculative hedging activities, macro-economic variables and certain other factors related specifically to gold, copper, and other mineral commodities.

(v) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions and loans are denominated in United States dollars.

Sensitivity analysis - Based on management's knowledge and experience of the financial markets, the Company believes that movements at ± 10% are "reasonably possible" over a one year period:

(a) As at May 31, 2023, the Company had $1,417,561 ($1,043,094 US dollars) in loan liability and $3,627 in cash denominated US Dollar foreign currency.
(b) Price risk is remote since the Company is a non-producing entity.

16. OTHER INFORMATION

16.1 Contractual Commitments

Flow Through Share Commitments -As at May 31, 2023 the Company estimates a $981,000 remaining commitment on eligible Canadian exploration and development expenses by December 31, 2023.

In connection with the Exploration Memorandum of Understanding with the Mishkeegogamang First Nation, the Company has committed to contribute $60,000 annually to the Mishkeegogamang Community Fund to benefit the community.

16.2 Limitations of Controls and Procedures

CCMI 's Chief Executive Officer and 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. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within CCMI have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is 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.

16.3 Corporate Governance

CCMI's Board of Directors follows corporate governance policies to ensure transparency and accountability to shareholders.

The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the unaudited interim and audited annual consolidated financial statements prior to their submission to the Board of Directors for approval.

16.4 Related Party Transactions

On January 4, 2019, the Company entered into a loan agreement with Matlock Farms Ltd., a company controlled by Aaron Matlock, a director of the Company. The loan has a principal amount of $5,000,000 and carries an interest rate of 14.8% for a term of four years. Effective January 19, 2021 the interest rate was renegotiated to 10% for the balance of the loan and $780,000 accrued interest was settled with the issuance of 6,500,000 common shares. The loan is secured by a general security agreement. (See also below discussion of conversion to royalty.)

Key management costs (including share based compensation) for the year were $295,035 (2022 - $586,856).

16.5 Subsequent Events

Private Placement - On June 19, 2023 the Company issued 7,000,000 units at $0.05 per unit for $350,000. Each Unit is to consist of one Common Share and one common share purchase warrant, which warrant shall be comprised of (i) one-half of one warrant, with a full warrant exercisable into one common share at an exercise price of $0.075 for a period of 24 months, and (ii) one-half of one warrant, with a full warrant exercisable into one Warrant Share at an exercise price of $0.10 for a period of 24 months.

Stock Options - On July 19, 2023, the Company granted 9,850,000 options at a strike price of $0.05 and an expiry date of three years to directors, officers, employees, and consultants. 6,280,556 options at a strike price of $0.18 expired unexercised.

16.6 Changes in Accounting Policies

None

17. FORWARD-LOOKING STATEMENTS CAUTIONARY NOTE

This MD&A may contain forward-looking statements that are based on CCMI's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of CCMI are set out above under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of CCMI. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Although CCMI believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of CCMI to be materially different from those expressed or implied by such forward-looking information, including but not limited to, risks related to CCMI's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic mineral deposits; management's assessment of future plans for its property interests (See "Mining Properties – Exploration Activities"); management's economic outlook regarding future trends; CCMI's expected exploration budget and ability to meet its working capital needs at the current level in the short term (See "Liquidity and Capital Resources" and "Financial Conditions"); expectations with respect to raising capital (See "Liquidity and Capital Resources"); and management's proposed undertaking to attempt to renegotiate certain of its option agreements (See "Financial Conditions").

Inherent in forward-looking statements are risks, uncertainties and other factors beyond CCMI's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, mineral price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to recently acquired properties, the possibility that future exploration results will not be consistent with CCMI's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the mineral exploration and development industry, as well as those risk factors listed in the "Risk Factors" section above. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for CCMI's exploration and development activities; operating and exploration and development costs; CCMI's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration properties and other operations; market competition; and general business and economic conditions.

For further discussion of certain risks and uncertainties that could contribute to a difference in results that those expressed in certain forward looking statements contained herein, please review those risks listed under the heading "Risks Factors" in this MD&A. Although CCMI has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking statements are not guarantees of future performance and there can be no assurance that forward-looking 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. These forward-looking statements are made as of the date hereof and CCMI takes no responsibility to update them or to revise them to reflect new events or circumstances, except as required by law.

17.1 Risk Factors

The Company's business is the exploration, development and production of mineral resources. As the Company's business is in an exploration phase, an investment in securities of the Company involves a high degree of risk. The risk factors discussed below do not necessarily include all risks associated with the business, operations and affairs of the Company.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. Mineral exploration is a business of high inherent risk. All exploration and mining programs face a risk of unknown and unanticipated geological conditions, and promising indications from early results may not be borne out in further exploration work. A mineral exploration program often requires substantial cash investment, which can be lost in its entirety if it does not result in the discovery of a commercially viable mineral resource.

The commercial viability of a mineral deposit is dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as mineral prices. Most of these factors are beyond the control of the Company. Mineral exploration involves risks which even a combination of careful evaluation, experience, and knowledge cannot eliminate. Development of a producing mine generally requires large capital investment and numerous permits from government regulatory agencies. There is no assurance that the funds required to exploit mineral resources discovered by the Company will be obtained on a timely basis or at all. There is also no assurance that the Company will be able to obtain the required government permits required. The costs and time involved in the permitting process may also delay the commencement of mining operations, or make the development of a producing mine uneconomic.

Financial Needs to Maintain Going Concern

To date, the Company has not had any significant revenues from operations. The ability of the Company to continue as a going concern is dependent on the Company's ability to obtain financing to continue exploration, development and commercialize of its properties. There is no certainty that the Company will be able to obtain the financing required to continue its exploration and development activities. Equity financing and related party loans have historically been the Company's source of financing its operations. There can be no assurance that additional financing will be available to the Company, or, if it is, that it will be available on terms acceptable to the Company. If the Company is unable to obtain the financing necessary to support its activities, it may be unable to continue as a going concern.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies, some of which have greater technical and financing resources than itself with respect to the ability to acquire properties of merit, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities and for financing from third party investors. Competition in the mining industry could adversely affect the Company's prospects for mineral resource exploration in the future and cause the Company to fail to obtain appropriate personnel to pursue its objectives, the financing required to continue its exploration activities or further claims or properties to grow its business and operations.

Title to Properties

While the Company has investigated its titles and all of its claims, the Company cannot guarantee that title to such property and claims will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers are often complex.

Environmental Risk

Environmental regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation will not adversely affect the Company's operations or inhibit the Company's ability to successfully act to develop its mineral resources.

Dilution to the Company's existing shareholders

The Company will likely require additional equity financing to be raised in the future. The Company may issue securities at terms more favourable than those at which existing shareholders acquired common shares of the Company to raise sufficient capital to fund the Company's business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial dilution, to present and prospective holders of common shares.

Uninsured or Uninsurable

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities. Related party loans are at fixed rates and loans payable are variable.

Commodity price risk

The value of the Company's exploration and evaluation assets are related to the price of gold, copper, and other mineral commodities. Adverse changes in the price of gold and copper can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Gold, copper, and other mineral commodities prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank reserves, management forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand due to speculative hedging activities, macro-economic variables and certain other factors related specifically to gold, copper, and other mineral commodities.

COVID 19 Pandemic

During March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this outbreak may cause investment market volatility, supply chain disruptions, and increased government regulations, all of which may negatively impact the Company's business and financial condition. Exploration drilling operations were suspended during these restrictions.

Additional Information

Additional information regarding the Company and its business and operations is available on the Company's profile at www.sedar.com and on the Company's website at www.canadiancriticalmineralsinc.com.

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