



**Terra Balcanica Resources Corp.**  
**Condensed Interim Consolidated Financial Statements**  
**For the three months ended**  
**April 30, 2023**  
**Unaudited – Prepared by Management**  
**(Expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW  
OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying condensed interim consolidated financial statements of Terra Balcanica Resources Corp. (the “Company”) as at April 30, 2023, and for the three months ended April 30, 2023 and April 30, 2022, have been prepared by the management of the Company and approved by the Company’s Audit Committee.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of the condensed interim financial statements by an entity’s auditor.

**Terra Balcanica Resources Corp.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**Unaudited – Prepared by Management**  
**As at April 30, 2023 and January 31, 2023**

	Note	April 30, 2023 \$	January 31, 2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash	3	11,523	70,301
Prepaid expenses	4	7,732	36,176
Receivables	4	22,771	32,180
Short-term deposits		1,460	1,451
		<b>43,486</b>	<b>140,108</b>
<b>Non-current assets</b>			
Equipment	5	129,987	139,208
Mineral property interests	6	2,543,120	2,339,463
		<b>2,673,107</b>	<b>2,478,671</b>
<b>Total assets</b>		<b>2,716,593</b>	<b>2,618,779</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable and accruals		379,729	300,276
Advances payable	7	21,292	21,177
Due to related parties	9	14,401	5,818
<b>Total liabilities</b>		<b>415,422</b>	<b>327,271</b>
<b>Shareholders' equity</b>			
Share capital	8	6,472,926	6,472,926
Share subscriptions received	8	151,500	-
Reserves		949,270	949,270
Foreign currency reserve		(132,519)	(137,486)
Deficit		(5,166,938)	(5,015,008)
<b>Shareholders' equity attributable to owners of the Company</b>		<b>2,274,239</b>	<b>2,269,702</b>
Non-controlling interest	12	26,932	21,806
<b>Total shareholders' equity</b>		<b>2,301,171</b>	<b>2,291,508</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,716,593</b>	<b>2,618,779</b>
<b>Nature of operations and going concern</b>			
	1		
<b>Subsequent events</b>			
	14		

Approved on behalf of the Board of Directors on June 27, 2023:

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*"Aleksandar Miskovic"* Director

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*"Brandon Bonifacio"* Director

**Terra Balcanica Resources Corp.**  
**Condensed Interim Consolidated Statement of Changes in Shareholders' Equity (Deficiency)**  
**Unaudited – Prepared by Management**  
**For the three months ended April 30, 2023 and April 30, 2022**

	Number of common shares #	Number of special warrants #	Share capital \$	Special warrants \$	Share subscriptions received \$	Reserves \$	Foreign currency reserve \$	Deficit \$	Attributed to owners \$	Non-controlling interests \$	Total shareholders' deficiency \$
February 1, 2022	61,244,721	11,467,500	3,622,175	2,214,690	-	48,200	28,893	(3,039,894)	2,874,064	(29,313)	2,844,751
Conversion of special warrants	6,742,500	(6,742,500)	1,348,500	(1,348,500)	-	-	-	-	-	-	-
Finders' fees - cash	-	-	-	(3,850)	-	-	-	-	-	-	-
Finders' warrants	-	-	(2,400)	-	-	2,400	-	-	-	-	-
Special warrants	-	800,000	-	160,000	-	-	-	-	-	-	-
Loss and comprehensive loss for the period	-	-	-	-	-	-	(153,039)	(528,505)	(525,394)	48,305	(477,089)
<b>April 30, 2022</b>	<b>67,987,221</b>	<b>5,525,000</b>	<b>4,968,275</b>	<b>1,022,340</b>	<b>-</b>	<b>50,600</b>	<b>(124,146)</b>	<b>(3,568,399)</b>	<b>2,348,670</b>	<b>18,992</b>	<b>2,367,662</b>
February 1, 2023	78,512,221	-	6,472,926	-	-	949,270	(137,486)	(5,015,008)	2,269,702	21,806	2,291,508
Share subscriptions received in advance	-	-	-	-	151,500	-	-	-	151,500	-	151,500
Loss and comprehensive loss for the period	-	-	-	-	-	-	4,967	(151,930)	(146,963)	5,126	(141,837)
<b>April 30, 2023</b>	<b>78,512,221</b>	<b>-</b>	<b>6,472,926</b>	<b>-</b>	<b>151,500</b>	<b>949,270</b>	<b>(132,519)</b>	<b>(5,166,938)</b>	<b>2,274,239</b>	<b>26,932</b>	<b>2,301,171</b>

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

**Terra Balcanica Resources Corp.**

**Condensed Interim Consolidated Statement of Loss and Comprehensive loss**

**Unaudited – Prepared by Management**

**For the three months ended April 30, 2023 and April 30, 2022**

	Note	April 30, 2023 \$	April 30, 2022 \$
<b>Expenses</b>			
Administrative		30,326	54,146
Business development		3,256	102,349
Consulting and salaries	9	34,766	90,308
Depreciation	5	-	15,508
Finance costs		-	472
Investor relations		44,958	-
Miscellaneous		7,322	32,155
Professional fees	9	33,537	171,323
Project costs		-	16,547
Transportation costs		471	17,708
Wages and salaries		-	62,595
<b>Loss from operating expenses</b>		<b>(154,636)</b>	<b>(563,111)</b>
Other income		-	1,282
Foreign exchange gain (loss)		(58)	23,001
<b>Total loss before tax</b>		<b>(154,694)</b>	<b>(538,828)</b>
Income tax		-	-
<b>Total loss</b>		<b>(154,694)</b>	<b>(538,828)</b>
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation adjustment		2,764	10,323
<b>Loss and comprehensive loss for the period</b>		<b>(151,930)</b>	<b>(528,505)</b>
<b>Loss and comprehensive loss for the period attributable to:</b>			
Owners of the Company		(157,056)	(576,810)
Non-controlling interests		5,126	48,305
		<b>(151,930)</b>	<b>(528,505)</b>
<b>Loss per share</b>			
<b>Weighted average number of common shares outstanding</b>			
- Basic		78,512,221	61,699,272
- Diluted		78,512,221	61,699,272
<b>Basic loss per share \$</b>		<b>(0.00)</b>	<b>(0.01)</b>
<b>Diluted loss per share \$</b>		<b>(0.00)</b>	<b>(0.01)</b>

**Terra Balcanica Resources Corp.**  
**Condensed Interim Consolidated Statement of Cash Flows**  
**Unaudited – Prepared by Management**  
**For the three months ended April 30, 2023 and April 30, 2022**

	Note	April 30, 2023 \$	April 30, 2022 \$
<b>Operating activities</b>			
Loss for the period		(151,930)	(528,505)
Adjustments for non-cash items:			
Depreciation		-	19,790
Foreign exchange		(9)	42,191
Accretion		-	494
Non-controlling interest		5,126	48,305
Changes in non-cash working capital items:			
Receivables		9,409	(10,627)
Prepaid expenses		28,443	51,915
Accounts payable and accruals		88,152	198,584
		<b>(20,809)</b>	<b>(177,853)</b>
<b>Financing activities</b>			
Lease payments		-	(8,390)
Proceeds from common share issuance and special warrants, net of share issuance costs		-	156,150
Share subscriptions received in advance		151,500	-
		<b>151,500</b>	<b>147,760</b>
<b>Investing activities</b>			
Expenditures on mineral property interest		(194,436)	(242,612)
		<b>(194,436)</b>	<b>(242,612)</b>
Effect of foreign exchange on cash		<b>4,967</b>	<b>(153,039)</b>
Change in cash		<b>(63,745)</b>	<b>(425,744)</b>
Cash, beginning of period		<b>70,301</b>	<b>1,652,607</b>
Cash, end of period		<b>11,523</b>	<b>1,226,863</b>

Supplemental cash flow information

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**1. Nature of operations and going concern**

Terra Balcanica Resources Corp. (formerly 1250598 B.C. Ltd.) (“Terra” or the “Company”) was incorporated on May 19, 2020 under the laws of the Province of British Columbia, Canada. In March 2021, the Company changed its name to Terra Balcanica Resources Corp. Head office is located at 250 – 200 Burrard Street, Vancouver, BC V6C 3L6. The principal business of the Company is the identification, evaluation and acquisition of mineral property assets.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to complete the exploration of the mineral property interests.

These consolidated financial statements (“financial statements”) are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have traditional sources of revenue, and historically has relied on advances payable to cover its operating expenses. As at April 30, 2023, the Company had an excess of current liabilities over current assets of \$371,936 (as at January 31, 2023 excess of current liabilities over current assets was \$187,163) and shareholders' equity of \$2,274,239 (2023 - \$2,269,702). These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

On September 14, 2020, the Company acquired, through acquisition of common shares, a 90% interest in Drina Resources D.O.O. Banja Luka (“Drina”) a corporation existing under the laws of Bosnia which holds certain mineral property interests in Bosnia.

On January 25, 2021, the Company entered a definitive Share Purchase Agreement (the “Agreement”) closed on March 19, 2021, for Terra Balcanica Resources Corp. (formerly 1250598 B.C. Ltd.) (“Terra Balcanica”) to acquire the Company a corporation existing under the laws of the Republic of Serbia mineral exploration company which holds certain mineral property interests in Serbia and Bosnia (Note 13).

**2. Significant accounting policies**

**(a) Use of estimates and judgments**

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of these financial statements and the reported expenses during the period. Actual results could differ from these estimates. The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1.

*Deferred tax assets and liabilities*

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives.

*Impairment of Mineral property interest*

The application of the accounting policy for Mineral property interest requires judgment in determining whether it is likely that future economic benefits will flow to the Company. The Company undertakes a review of the carrying values of mineral property interest and related expenditures whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. Management concluded that there is no indication for the impairment of mineral properties as of April 30, 2023.

**2. Significant accounting policies (continued)***Valuation of share-based compensation*

From time to time the Company may issue a specific number of common shares as compensation for services received where such a transaction did not entail the use of cash. The fair value of share-based payments is estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk-free rate of return, and the estimated rate of forfeiture of options granted.

**(b) Basis of presentation**

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited consolidated financial statements for the year ended January 31, 2023, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited consolidated financial statements.

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on the consolidated financial statements are presented in Canadian Dollars (CDN); the functional currency of the Company is Canadian Dollar (CDN). The Company consolidated the operations of Tera Balkanika Doo Beograd ("Tera Balkanika"), which has a functional currency of the Serbian Dinar ("RSD") and Drina Resources D.O.O. ("Drina"), which has a functional currency of the Bosnian Marks ("BAM").

**(c) Basis of consolidation**

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

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation. All information presented as at April 30, 2023 and 2022.

<b>Entity</b>	<b>Incorporation</b>	<b>Status</b>	<b>Functional Currency</b>	<b>Ownership Percentage</b>
Tera Balkanika	Serbia	Active	Serbian Dinar	100%
Drina	Bosnia	Active	Bosnian Mark	90%
Tera Balkanika d.o.o. Sarajevo ("Tera")	Bosnia	Active	Bosnian Mark	100%

**3. Cash**

Cash consist of the following:

	<b>2023</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Cash	11,523	70,301



#### 4. Receivables and prepaid expenses

Receivable and prepaid expenses consist of the following:

	April 30, 2023 \$	January 31, 2023 \$
VAT Receivable	12,150	12,828
GST Receivable	10,621	19,352
Prepaid expenses	7,732	36,176
	<b>30,503</b>	<b>68,356</b>

Value Added Tax (VAT) and general sales tax (GST) receivable consists of amounts paid on business related expenses in the period ending April 30, 2023.

#### 5. Equipment

Cost	Software \$	Computer Equipment \$	Vehicle \$	Total \$
<b>Balance - January 31, 2023</b>	<b>44,059</b>	<b>49,185</b>	<b>85,327</b>	<b>178,571</b>
Additions	-	-	-	-
<b>Balance - April 30, 2023</b>	<b>44,059</b>	<b>49,185</b>	<b>85,327</b>	<b>178,571</b>
<b>Accumulated Depreciation</b>				
<b>Balance - January 31, 2023</b>	<b>17,173</b>	<b>4,277</b>	<b>17,913</b>	<b>39,363</b>
Depreciation	3,780	2,491	21,222	27,493
Foreign currency difference	(2,512)	(1,656)	(14,104)	(18,272)
<b>Balance - April 30, 2023</b>	<b>18,441</b>	<b>5,112</b>	<b>25,031</b>	<b>48,584</b>
<b>Carrying Value</b>				
Balance - January 31, 2023	26,886	44,908	67,414	<b>139,208</b>
<b>Balance - April 30, 2023</b>	<b>25,618</b>	<b>44,073</b>	<b>60,296</b>	<b>129,987</b>

During the period end April 30, 2023, the depreciation of \$9,221 was capitalized and included in mineral property interests.

## 6. Mineral property interests

### *Kaludra License*

Ministry of Mining and Energy passed approval on September 28, 2017, approving Rockstone Group DOO Kać ("RSG") a company related by virtue of common director, to conduct geological research of lead (Pb), zinc (Zn), copper (Cu), gold (Au), Antimony (Sb) and accompanying metals in the exploration area "Kauldra", municipality Novi Pazar.

On January 25, 2021, Tera entered into an option agreement with RSG to purchase all the interests in the Kaludra License located central Serbia. In order to exercise the option, Tera must make a \$50,000 cash payment within 30 days from the January 25, 2021 (completed March 4, 2021). On January 26, 2022, the Company and RSG amended the option agreement as follows

In addition, the Company must make the following share issuances to RSG:

- 500,000 common shares of Terra on or before the second anniversary of the March 4, 2021 ("Grant Date") which is the date the Ministry of Mining and Energy in the Republic of Serbia grants a new license over the Kaludra License area in the name of the Company.

RSG is eligible to receive bonus payments as follows from the Company:

- \$1,000,000 within 90 days of the commencement of commercial production.

Upon commencement of commercial production, the Company will pay RSG a Net Smelter Royalty ("NSR") being equal to 0.5% of the Net Smelter Returns.

### *Ceovishte License*

On March 2, 2020, Tera applied for the right to conduct geological research of lead (Pb), zinc (Zn), silver (Ag), copper (Cu), gold (Au) at the Ceovishte site in southwestern Serbia. On October 14, 2022, the Ceovishte licence has been officially granted by the Serbian Ministry of Energy and Mines to the Company's subsidiary Tera Balkanika doo Belgrade.

On January 25, 2021, Tera entered into a finders' fee agreement with RSG whereby RSG had previously located and introduced the Company to the Ceovishte Project. On January 26, 2022, the Company amended the agreement as follows:

The finder's fee obligated Tera to make a \$50,000 cash payment within 30 days of the closing of the Company's first equity financing after February 1, 2022. On or before the second anniversary, issue 500,000 common shares of Terra and grant a 0.5% NSR within 30 days from which the Ministry of Mines and Energy of the Republic of Serbia grants the licenses.

### *Drina Resources doo Srebrenica Licenses*

On April 2, 2019, Drina received approval to conduct detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Olovine". On August 5, 2019, Drina received approval to conduct detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Čumavići". The deadline for completion of the research is December 5, 2023 at the site "Čumavići" and October 2, 2023, at the site "Olovine" with an option to extend for 3.5 years.

Drina paid 7,758 BAM (\$5,756 CDN equivalent), for the site "Čumavići" (paid in fiscal 2019) and 8,941 BAM (\$6,634 CDN equivalent), for the site "Olovine" (paid in fiscal 2019).

On March 26, 2021, the Company received approval to conduct detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Čaus" for 11,368 BAM (\$8,435 CDN equivalent). The deadline for completion of the research is March 26, 2024 with an option to extend it for 4 years.

On February 2, 2022, Drina received approval to annex the license hence increase scope of work and extend deadline on conducting detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Olovine". Drina paid 12,519 BAM (\$9,289 CDN equivalent), for the site "Olovine" (paid in fiscal 2022), with deadline for completion of the research October 2, 2023.

**6. Mineral property interests (continued)**

On June 5, 2022, Drina received approval to annex the license hence increase scope of work and extend deadline on conducting detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Čumavići". Drina paid 6,863.60 BAM (\$5,092 CDN equivalent), for the site "Čumavići" (paid in fiscal 2022), with deadline for completion of the research February 5, 2024.

	Ceoviste Property \$	Kaludra Property \$	Olovine Property \$	Cumavici Property \$	Caus Property \$	Total \$
<b>Balance, February 1, 2022</b>	-	165,131	299,035	589,008	18,123	1,071,297
Administration	-	5,760	-	-	-	5,760
Assay testing	-	2,033	57,699	31,069	-	90,801
Equipment rentals	-	-	89,018	47,933	-	136,950
Geologist and consulting	-	431	-	-	-	431
Road construction	-	-	5,636	3,035	-	8,670
Foreign exchange	-	-	-	-	-	(40,830)
<b>Balance, April 30, 2022</b>	-	173,355	451,387	671,044	18,123	1,273,079
<b>Balance, February 1, 2023</b>	2,434	411,397	584,210	1,301,381	40,042	2,339,464
Acquisition	-	-	12,788	25,188	775	38,751
Administration	-	27,535	11,454	22,561	694	62,244
Assay testing	-	15,621	557	1,097	34	17,309
Depreciation	-	8,313	652	1,284	39	10,288
Drilling	-	-	7,614	14,997	461	23,072
Geologist and consulting	-	3,623	-	-	-	3,623
Licenses	-	-	75	149	5	229
Maintenance	-	777	-	-	-	777
Road construction	-	-	3,418	6,733	207	10,358
Supplies	-	-	311	613	19	943
Transportation	-	-	1,349	-	-	1,349
Wages and salaries	-	22,383	-	-	-	22,383
Foreign currency difference	13	2,168	3,079	6,859	211	12,330
<b>Balance, April 30, 2023</b>	<b>2,447</b>	<b>491,817</b>	<b>625,507</b>	<b>1,380,862</b>	<b>42,487</b>	<b>2,543,120</b>

**7. Advances payable**

During the year ended January 31, 2022, the Company entered into a Share Exchange Agreement ("SEA") with Terra. Terra agreed to purchase all the shares in the capital of the Company by issuing 24,525,000 common shares of Terra representing approximately 46.95% of Terra total issued and outstanding shares on March 19, 2021. The Company has subsequently accounted for this transaction as an acquisition of assets, under the guidance of IFRS 2 and the Company is now a consolidated subsidiary of Terra. All advance payables were classified to intercompany payables and eliminated upon consolidation. Total advances from Terra to the Company amount to \$740,000 Canadian dollars as at the acquisition date March 19, 2021.

## 8. Share Capital

### Transactions for the issue of share capital during the period ended April 30, 2023:

On April 4, 2023, the Company announced a non-brokered private placement financing of units for gross proceeds of up to \$1,000,000. The Company will issue up to 11,764,706 units at a price of \$0.085 per unit. Each unit will consist of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.13 for a period of 36 months from the closing date of the private placement.

The Company has received subscriptions in advance of their non-brokered private placement financing of units for gross proceeds of \$151,500.

### Transactions for the issue of share capital during the period ended April 30, 2022:

On February 7, 2022, for a total of 900,000 Special Warrants of at a price of \$0.20 per Special Warrant for gross proceeds of \$180,000 were issued. Each Special Warrant will be deemed exercised for one Common Share upon satisfaction of the conditions contained in the Special Warrant Certificate. The Company paid \$3,850 in finders fees and issued 19,250 finders' warrants, exercisable at \$0.20 convertible into one common share of the Company for two years from the date of issuance.

The Company measured the fair value of the finders' warrants using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of warrants – two years, stock price volatility – 120%, no dividend yield, and a risk-free interest rate yield – 2%.

On April 24, 2022, the 6,742,500 Special Warrants issued on December 23, 2021 were converted into 6,742,500 common shares.

### Warrants

As an incentive to complete a private placement the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to private placement units. Finders' warrants may be issued as a private placement share issue cost and are valued using the Black-Scholes option pricing model.

A summary of the status of the Company's warrants as at April 30, 2023 and January 31, 2023 and changes during the period/year then ended is as follows:

	Period ended April 30, 2023		Year ended January 31, 2023	
	Warrants #	Weighted average exercise price \$	Warrants #	Weighted average exercise price \$
Warrants outstanding, beginning of period/year	5,000,000	0.20	11,467,500	0.20
Issued - special warrants	-	0.00	800,000	0.20
Issued - unit offering	-	0.00	5,000,000	0.15
Exercised - special warrants	-	0.00	(12,267,500)	0.20
Warrants outstanding, end of period/year	<b>5,000,000</b>	<b>0.15</b>	5,000,000	0.20

**8. Share Capital (continued)**

A summary of the status of the Company's brokers warrants as at April 30, 2023 and January 31, 2023 and changes during the year then ended is as follows:

	Period ended April 30, 2023		Year ended January 31, 2023	
	Warrants #	Weighted average exercise price \$	Warrants #	Weighted average exercise price \$
Warrants outstanding, beginning of period/year	413,350	0.20	394,100	0.20
Issued	-	0.00	19,250	0.20
Warrants outstanding, end of period/year	<b>413,350</b>	<b>0.20</b>	413,350	0.20

As at April 30, 2023, the Company had warrants and brokers warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price \$	Expiry date
5,000,000	5,000,000	0.15	December 15, 2025
135,100	135,100	0.20	December 23, 2023
259,000	259,000	0.20	January 26, 2024
19,250	19,250	0.20	February 7, 2024
<b>5,413,350</b>	<b>5,413,350</b>		

**Stock options**

On February 4, 2021, the Company adopted a formal Stock Option Plan (the "Option Plan"). Under the Option Plan, the exercise price of each option must not be less than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant and (b) the date of the grant of the stock options. The options can be granted for a maximum term of five years. The maximum number of options that can be issued may not exceed 10% of the issued and outstanding common share capital. The options vest at the discretion of the Board of Directors. The terms of the existing stock options remain in accordance with the stock option plan in place at the time the options were granted.

A summary of the status of the Company's stock options as at April 30, 2023 and January 31, 2023, and changes during the period/year then ended is as follows:

	Period ended April 30, 2023		Year ended January 31, 2023	
	Options #	Weighted average exercise price \$	Options #	Weighted average exercise price \$
Options outstanding, beginning of period/year	5,820,000	0.20	-	-
Granted	-	0.00	5,995,000	0.20
Expired/cancelled	-	0.00	(175,000)	0.20
Options outstanding, end of period/year	<b>5,820,000</b>	<b>0.20</b>	5,820,000	0.20

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

As at April 30, 2023, the Company had options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price \$	Expiry date
3,900,000	3,900,000	0.20	June 8, 2027
920,000	920,000	0.20	June 22, 2027
250,000	250,000	0.20	June 22, 2024
500,000	375,000	0.20	June 16, 2025
250,000	250,000	0.10	October 12, 2024
<b>5,820,000</b>	<b>5,695,000</b>	<b>0.20</b>	

**9. Related party payables and transactions**

The Company's related parties include key management personnel and Directors and companies in which they have control or significant influence over the financial or operating policies. There were no loans to management personnel or Directors, or entities over which they have control or significant influence for the period ended April 30, 2023, and Directors receive no salaries, non-cash benefits, or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on a thirty-day advance notice.

Key management personnel and Directors can participate in the Company's stock option plan. No stock options were granted to related parties during the period ended April 30, 2023, and April 30, 2022.

As at April 30, 2023, upon acquisition of Tera, Rockstone Group D.O.O. is wholly held by Aleksandar Ilić, who was the project vendor pursuant to the option agreements on mineral property interests. Mr. Ilić is a current director of the Company. Mr. Ilić was paid \$50,000 on March 4, 2021, for the option of the Kaludra License. (see Note 7) Mr. Ilić is also due another \$50,000 as a finder's fee for the Ceovishte License once granted by the Serbian Ministry of Energy and Mines within a calendar year following the licence grant. (see Note 7).

- (a) Brandon Bonifacio is a Company Director. Mr. Bonifacio provides the Company with management and administrative services.
- (b) Stephen Brohman is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services (included within professional fees).
- (c) Kim Oishi is a Company Director. He is a shareholder and has significant influence over Grand Rock Capital Corp. ("Grand Rock Capital") which is a professional services firm. Grand Rock Capital provides the Company with professional services.
- (d) Alex Miskovic is a Company Director and the Company's CEO. He is a shareholder and has significant influence over Geotarget Solutions Inc. ("Geotarget Solutions") which is a geological consulting firm. Geotarget Solutions provides the Company with geological consulting services and CEO services (included within professional fees).
- (e) Catherine Cox is the Company's Corporate Secretary. She provides the Company with Corporate Secretary services (included within consulting fees).

**9. Related party payables and transactions (continued)**

	Transactions Three months ended April 30, 2023 \$	Transactions Three months ended April 30, 2022 \$	Balances outstanding April 30, 2023 \$	Balances outstanding January 31, 2023 \$
Brandon Bonifacio	-	31,500	-	-
Geotarget Solutions	34,917	32,250	-	-
Catherine Cox	15,000	6,300	183	-
DBM CPA	12,000	50,634	14,218	5,818
Aleksandar Ilić	-	-	-	-
	<b>61,917</b>	<b>120,684</b>	<b>14,401</b>	<b>5,818</b>

**10. Supplemental cash flow information**

The Company did not incur any non-cash investing activities during the period ended April 30, 2023 and April 30, 2022.

During the period ended April 30, 2023, and April 30, 2022 there were no amounts paid on account of interest or income taxes.

**11. Financial risk management****Capital management**

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. As at April 30, 2023 the Company's capital structure is comprised of shareholders' equity of \$2,274,239.

The Company currently has no source of revenue. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets.

**Financial instruments – fair value**

The Company's financial instruments consist of cash, receivables, accounts payable and accruals.

The carrying value of receivables, accounts payable and accruals, lease liabilities, short-term deposits, due to related parties and advances payable approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets and liabilities are carried at amortized cost and belong to Level 2 of the fair value hierarchy. During the period ended April 30, 2023 there were no transfers between the level of fair value hierarchy.

**11. Financial risk management** (continued)

**Financial instruments – risk**

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

**a) Credit risk**

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company has minimal receivables exposure as its refundable credits are due from the Serbian government.

**b) Interest rate risk**

The Company is not exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity.

**c) Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources (Note 1). The Company's contractual cash outflows of its financial liabilities is approximate their carrying values and due within 0 to 12 month as at April 30, 2023 and April 30, 2022.

**d) Currency risk**

As at April 30, 2023 all of the Company's cash was held either in Canadian dollars, Bosnian Mark or Serbian Dinar. The Company incurs expenditures in Canada, Bosnia and Serbia, and as such is exposed to currency risk associated with these costs.

A change in the value of the Bosnian Mark and Serbian Dinar by 10% relative to the Canadian dollar would not have a significant impact on the Company's working capital and net loss for the period ended April 30, 2023 and April 30, 2022.



## 12. Purchase price allocation

As described in Note 1, on March 19, 2021, the Company completed a Transaction which constituted a reverse acquisition.

The Transaction resulted in the shareholders of the Company obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entities.

The Transaction constitutes an RTO of the Company and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2, Share-based Payments and IFRS 3, Business Combinations. As the Company did not qualify as a business according to the definition in IFRS 3, the RTO does not constitute a business combination; rather it is treated as an issuance of common shares by the Company for the net assets Tera Balkanika, with the Company as the continuing entity. Accordingly, no goodwill or intangible assets were recorded with respect to the Transaction as it does not constitute a business.

For accounting purposes, the Company is treated as the accounting subsidiary (legal parent) and Tera Balkanika as the accounting parent (legal subsidiary) in these financial statements. As Tera Balkanika was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these financial statements at their historical carrying values. The Company's results of operations have been included from March 19, 2021.

	March 19, 2021
<b>Net assets (liabilities) of Tera acquired:</b>	<b>\$</b>
Cash	429,925
Accounts receivable	10,000
Advances	1,065,000
Accounts payable	(19,399)
<b>Net assets acquired</b>	<b>1,485,526</b>
<b>Consideration paid for reverse acquisition of the Company:</b>	<b>\$</b>
Common shares issued (27,759,721 fair value price per share \$0.10)	2,775,972
<b>Total consideration paid</b>	<b>2,775,972</b>
<b>Transaction cost</b>	<b>1,290,446</b>

## 13. Segment information

All assets are located in Canada except property and equipment, deposits and mineral property interests for \$1,669,137 (January 31, 2023 - \$1,550,857) which is located in Bosnia and \$790,752 (January 31, 2023 - \$699,102) which is located in Serbia

## 14. Events after the reporting period

On May 8, 2023, the Company announced their first tranche closing of 4,760,586 units at a price of \$0.085 per unit for gross proceeds of \$404,650 pursuant to the Offering announced on April 4th, 2023. Each Unit consists of one common share in the capital of the Company (each, a "Common Share") and one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one Common Share at an exercise price of \$0.13 until May 5th, 2026. Finders' fees in the amount of \$8,057 were paid.

On June 8, 2023, the Company announced they have settled an outstanding debt in the amount of \$77,923 owing to an arm's-length creditor by issuing an aggregate of 916,749 common shares at a price of \$0.085.

On June 22, 2023, the Company announced their second tranche closing of 3,620,564 units at a price of \$0.085 per unit for gross proceeds of \$307,748 pursuant to the offering announced on April 4, 2023. Each unit consists of one common share in the capital of the company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.13 until June 22, 2026. Finders' fees in the amount of \$10,465 were paid.