SPRUCE RIDGE RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2024 AND 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Spruce Ridge Resources Ltd.:

Opinion
We have audited the consolidated financial statements of Spruce Ridge Resources Ltd. and its subsidiaries (the Company) which comprise the consolidated statements of financial position as at April 30, 2024 and 2023 and the consolidated statements of income (loss) and comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2024 and 2023 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has retained earnings, net of dividends Canada Nickel shares of negative $10,005,231 (April 30, 2023 - negative $10,326,024) and has incurred a net operating loss of $1,705,014 (April 30, 2023 - $1,037,058). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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, we have determined the matter described below to be a key audit matter to be communicated in our report.

Valuation of share options and warrants
The Company's valuation of share options and warrants involves the input of various factors that have varying degrees of judgement and estimation from management of the Company. Management calculates the valuations using the Black-Scholes option pricing model for which estimates are made. Auditing management's valuation and assumptions required auditor judgement in applying audit procedures and evaluating the results of those procedures.

As the valuation of share options and warrants are typically substantial in size and the number and timing of transactions can vary significantly from period to period depending on activity and the estimates involved, this audit area is considered a key audit risk.

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How our audit addressed the key audit matter

To test the Company's estimate of fair value of the share options, our audit procedures included, among others:

- Reviewed the Company's long-term incentive plan.
- Compared the risk free interest rate used by management to published sources for similar term Government of Canada Bond rates.
- Reviewed management's estimate of volatility against market data on historical trading to determine reasonability based on historical information available.
- Reviewed the fair value calculation using the Black-Scholes option pricing model as performed by management.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion & Analysis

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the 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 auditor's report is Kyle Hendin.

Scarrow & Donald LLP

Chartered Professional Accountants
August 27, 2024
Winnipeg, Canada

SPRUCE RIDGE RESOURCES LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at April 30, 2024 and 2023

	Notes	2024 $	2023 $
Assets			
Current			
Cash		172,269	213,772
Accounts receivable	3	71,928	140,660
Marketable securities - short term	5	7,265,906	9,089,597
Prepaid expenses	6	52,124	14,522
		7,562,227	9,458,551
Accounts receivable - long term	3	-	208,892
Marketable securities - long term	5	700,000	-
Exploration and evaluation assets	7	5,969,207	642,647
Property and equipment, net	10	124,969	149,628
Security deposits	9	70,176	108,526
Total Assets		14,426,579	10,568,244
Liabilities			
Current			
Accounts payable and accrued liabilities	11	241,899	99,159
CEBA loan	12	-	60,000
Total Liabilites		241,899	159,159
Shareholders’ equity			
Share capital	15(a)	18,816,977	17,430,583
Warrants	15(b)	296,599	25,250
Contributed surplus		3,935,041	3,279,276
Dividends Canada Nickel shares		(11,314,369)	(11,314,369)
Accumulated other comprehensive income		56,675	-
Retained earnings		1,309,138	988,345
Non-controlling interest		1,084,619	-
Total Shareholders’ Equity		14,184,680	10,409,085
Total Liabilities and Shareholders’ Equity		14,426,579	10,568,244

SPRUCE RIDGE RESOURCES LTD.
Consolidated Statements of Income (Loss) and Comprehensive Income
(Expressed in Canadian Dollars)
As at April 30, 2024 and 2023

	Notes	2024 $	2023 $
Oil and gas revenue		-	60,628
Oil Expenses			
Accretion		-	13,679
Amortization		-	28,262
Filing fees		-	6,914
Professional fees		-	2,825
Office and general		7,224	5,023
Operator expenses		-	209,972
Royalties		-	877
		7,224	267,552
Loss from oil and gas operations		(7,224)	(206,924)
Amortization		25,179	16,471
Consultants		48,733	-
Exploration expenses		21,904	336,051
Filing fees		61,865	42,038
Investor and shareholder relations		24,363	19,345
Management fees		414,963	172,000
Office and general		55,651	19,657
Professional fees		401,632	213,728
Property expenses		12,985	10,844
Share based compensation		630,515	-
		1,697,790	830,134
Net operating loss before other items		(1,705,014)	(1,037,058)
Dividend income		-	1,861
Gain on sale of exploration and evaluation assets		412,116	-
Gain on sale of marketable securities		2,486,809	-
Gain on sale of oil and gas assets		-	197,321
Gain on sale of property and equipment, net		54,569	-
Gain on foreign exchange		525	221
Other income		20,000	-
Rental income		5,750	20,575
Interest income	3	-	7,040
(Write-down)/recovery of miscellaneous receivable	4	605,000	(631,030)
Write-down of oil & gas royalty receivable		(227,056)	-
Write-down of exploration and evaluation assets		(249,855)	-
Marketable securities - fair value adjustment		(1,082,436)	(4,373,111)
Net income (loss)		320,408	(5,814,181)
Net income (loss) attributable to:			
Common shareholders		320,793	(5,814,181)
Non controlling interest		(385)	-
Net income (loss) per share – basic and diluted		0.00	(0.03)
Weighted average outstanding shares		191,812,393	180,207,202
Other comprehensive income			
Currency translation adjustments		70,974	-
Comprehensive income		70,974	-
Comprehensive income attributable to:			
Common shareholders		56,675	-
Non controlling interest		14,299	-

SPRUCE RIDGE RESOURCES LTD.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
As at April 30, 2024 and 2023

	Shares issued	Share Capital $	Warrants $	Contributed Surplus $	Dividends – Canada Nickel shares $	Accumulated Other Comprehensive Income	Retained earnings $	Non-controlling Interest $	Total $
Balance, April 30, 2022	180,207,202	17,430,583	35,729	3,268,797	(11,314,369)	-	6,802,526	-	16,223,266
Warrants expired	-	-	(10,479)	10,479	-	-	-	-	-
Net loss	-	-	-	-	-	-	(5,814,181)	-	(5,814,181)
Balance, April 30, 2023	180,207,202	17,430,583	25,250	3,279,276	(11,314,369)	-	988,345	-	10,409,085
Private placement	30,000,000	1,200,000	300,000	-	-	-	-	-	1,500,000
Share issue costs	-	(13,606)	(3,401)	-	-		-	-	(17,007)
Options / RSUs granted	-	-	-	630,515	-	-	-	-	630,515
Shares cancelled - settlement	(5,000,000)	(425,000)	-	-	-	-	-	-	(425,000)
Shares issued – RFN Holdings Lin	10,000,000	500,000	-	-	-	-	-	-	500,000
Shares issued – Shamrock Proper	2,500,000	125,000	-	-	-	-	-	-	125,000
Warrants expired	-	-	(25,250)	25,250	-	-	-	-	-
Non controlling interest	-	-	-	-	-	-	-	1,070,705	1,070,705
Net income	-	-	-	-	-	-	320,793	(385)	320,408
Other comprehensive income	-	-	-	-	-	56,675	-	14,299	70,974
Balance, April 30, 2024	217,707,202	18,816,977	296,599	3,935,041	(11,314,369)	56,675	1,309,138	1,084,619	14,184,680

SPRUCE RIDGE RESOURCES LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
As at April 30, 2024 and 2023

	2024	2023
	$	$
Operating activities		
Net income (loss) for the year	320,408	(5,814,181)
Add back / deduct non-cash items		
Accretion	-	13,679
Amortization	25,179	44,733
Dividend income	-	(1,861)
Forgivable portion of CEBA loan	(20,000)	-
Gain on sale of exploration and evaluation assets	(412,116)	-
Gain on sale of marketable securities	(2,486,809)	-
Gain on sale of oil and gas assets	-	(197,321)
Gain on sale of property and equipment	(54,569)	-
Interest income	-	(7,040)
Marketable securities - fair value adjustment	1,082,436	4,373,111
Share based compensation	630,515	-
Write-down of exploration and evaluation assets	249,855	-
Write-down of accounts receivable	227,056	-
Write-down of oil & gas royalty receivable	-	631,030
Total non-cash items	(758,453)	4,856,331
Changes in non-cash balances		
Accounts receivable	75,568	187,360
Miscellaneous receivable	-	35,699
Prepaid expenses	(37,602)	3,147
Security deposits	-	554,630
Accounts payable and accrued liabilities	142,740	(220,252)
Changes in non-cash balances	180,706	560,584
Total cash used in operating activities	(257,339)	(397,266)
Investing activities		
Net outlay from sale of oil and gas assets	-	(50,000)
Proceeds from sale of exploration and evaluation assets	40,000	-
Proceeds from sale of marketable securities	263,064	-
Proceeds from sale of property and equipment, net	86,457	-
Purchase of exploration and evaluation assets	(1,134,270)	(10,250)
Purchase of property and equipment	(32,408)	(42,413)
Total cash used in investing activities	(777,157)	(102,663)
Financing activities		
Repayment of CEBA loan	(40,000)	-
Proceeds from private placement	1,475,000	-
Shares cancelled	(425,000)	-
Share issue costs	(17,007)	-
Total cash provided by financing activities	992,993	-
Change in cash	(41,503)	(499,929)
Cash at the beginning of the year	213,772	713,701
Cash at the end of the year	172,269	213,772

1. Nature of operations and going concern

Spruce Ridge Resources Ltd. (“**Spruce**” or the “**Company**”), operating as Homeland Nickel Inc., is a public company listed on the TSX Venture Exchange (TSXV - SHL) and OTC Markets (OTCQB - SRGCF) and operating under the laws of the Province of Ontario. The Company is an exploration stage company that is in the process of exploring its mineral properties located in Canada and the United States and has not yet determined whether these properties contain reserves that are economically recoverable. The Company’s registered head office is located at 110 Yonge Street, Suite 1601 Toronto, ON M5C 1T4.

These financial statements have been prepared using International Financial Reporting Standards (“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 for the foreseeable future, which is at least, but not limited to, one year from April 30, 2023. At April 30, 2024, the Company has retained earnings, net of dividends - Canada Nickel shares of negative $10,005,231 (2023 - $10,326,024) and incurred a net operating loss of $1,705,014 (2023 – $1,037,058). The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient funds and continue to obtain sufficient capital from investors to meet its current and future obligations. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development.

2. Material accounting policies

(a) Basis of presentation and statement of compliance

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

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

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of April 30, 2024. The Board of Directors approved the consolidated financial statements on August 27, 2024.

The consolidated financial statements of the Company include the accounts of its wholly owned subsidiaries Homeland Nickel Inc. (“HLN”), Spruce Ridge Oil & Gas Inc. (“SROG”), RFN Holdings Limited (“RFNH”), and Spruce Oregon Holdings, LLC (“SOH”). In addition, RFNH as an 80% interest in Homeland Nickel Corp (“HLNC”). Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All material intercompany balances and transactions are eliminated upon consolidation.

2. Material accounting policies (continued)

(b) Presentation and functional currency

The presentation currency of the Company and its subsidiaries is the Canadian dollar. The functional currency of the Company, HLN and SROG is the Canadian dollar. The functional currency of RFNH is British Pounds Sterling and the functional currency of HLNC and SOH is the United States dollar.

(c) Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars at exchange rates in effect at statement of financial position date and non-monetary assets and liabilities are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in net income (loss) , except for differences arising on the translation of available for sale equity instruments that are recorded in other accumulated comprehensive income.

For the purpose of the consolidated financial statements, assets and liabilities of the Company's entities that have functional currencies other than the Canadian dollar are translated to Canadian dollars at the reporting date using the closing exchange rate. The resulting translation adjustments are included in accumulated other comprehensive income in equity.

(d) Financial instruments

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

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 Statements of Loss and Comprehensive Loss.

Financial assets recognized in the statements of financial position include cash, accounts receivable, , security deposits and marketable securities.

Cash consists of cash on hand, bank balances and investments in money market instruments in Canada with maturities of three months or less. Cash is measured at amortized cost.

Accounts receivable, and security deposits are initially recognized at fair value and is subsequently measured at amortized cost using an effective interest rate method.

Marketable securities reported at fair-value-through-profit-and-loss (FVTPL) are recorded at fair value with the difference between fair value and cost being recorded as unrealized gain or loss in value of investments in the Statements of Income (Loss).

2. Material accounting policies (continued)

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 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 and loan payable. Accounts payable and accrued liabilities and loan payable are initially recognized at fair value and classified as amortized cost, and subsequently measured at amortized cost.

Measurement of Fair Value

All financial instruments that are measured at fair value are categorized into one of three hierarchy levels, as described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities.

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.

Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments

Transaction Costs

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities recorded at fair value through profit or loss for the period are recognized immediately in the Statements of Income (Loss) .

Offsetting

Financial assets and financial liabilities are offset and reported on the Statements of Financial Position only if there is an enforceable legal right to offset the recognized amounts, and an intention to realize the asset and settle the liability simultaneously.

Issuance of Equity Instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issuance costs.

2. Material accounting policies (continued)

The classifications of financial assets and financial liabilities are shown in the table below:

Financial assets	IFRS 9
Cash	Amortized cost
Accounts receivable	Amortized cost
Marketable securities	FVTPL
Security deposits	Amortized cost

Financial liabilities	IFRS 9
Accounts payable and accrued liabilities	Amortized cost
CEBA loan	Amortized cost

(e) Property and equipment

On initial recognition, property and equipment 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 and equipment are 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 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 Statements of Loss and Comprehensive Loss during the financial period in which they are incurred.

2. Material accounting policies (continued)

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in the Statements of Income (Loss).

Property, plant and equipment are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Buildings	10%
Equipment	20%
Exploration and oil and gas equipment	20%
Office equipment	20%
Website	20%
Trucks	30%

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

(f) Exploration and evaluation assets

Exploration assets

Exploration expenditures relating to resource properties in which a legal right to explore has been obtained and an interest is retained are deferred and are carried as an asset until the results of the projects are known. If a project is unsuccessful or if exploration has ceased because continuation is not economically feasible, the cost of the property is written off. The fair value of resource properties acquired in exchange for the issuance of the Company's shares is determined by the trading price of the Company's shares on the date the shares are issued.

Option payments paid by the Company are capitalized against resource property costs when paid. Option payments received by the Company are deducted from resource property costs when received. No gain or loss on disposition of a partial interest is recorded until all carrying costs of the interest have been offset by proceeds of sale or option payments received or paid.

Evaluation assets

Evaluation expenditures relating to the evaluation of resource properties are capitalized until properties brought into production, at which time costs are amortized on a unit-of production basis over economically recoverable reserves, or abandoned or the interest is sold.

If a project is successful and production has occurred, the exploration expenditures and related deferred evaluation expenditures are first tested for impairment and reclassified to mine property and development, and then amortized by charges against income from future mining operations.

Exploration and evaluation expenditures, which are general in nature and cannot be associated with a specific group of mining claims, and general administrative expenses, are expensed in the year in which they are incurred.

2. Material accounting policies (continued)

(g) General

Administrative, prospecting and general expenses are expensed in the year in which they are incurred.

(h) Income Taxes

Current income tax for each taxable entity is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the statement of financial position date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred income taxes are recognized for timing differences between the tax and accounting basis of assets and liabilities, and for the recognition of accumulated capital and non-capital losses, which in the opinion of management are more likely than not to be realized before expiry. Deferred income tax income assets and liabilities are presented as a non-current item and measured at the tax rates that are expected to be in effect in the period when the asset is expected to be realized or the liability is expected to be settled, based on the tax rates that have been enacted or substantially enacted by the end of the reporting period. The effect on deferred income tax assets and liabilities resulting from a change in enacted or substantially enacted tax rates is included in income in the period in which the change is enacted or substantively enacted.

(i) Flow-Through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium if any received from the investor, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as a deferred income tax recovery and the resulting deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

2. Material accounting policies (continued)

(j) Provisions

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks. Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date. If the Company is virtually certain that some or all of a provision will be reimbursed, for example under an insurance contract, such reimbursement is recognized as a separate asset. Provisions may be discounted using a current pre-tax rate that reflects the risks specific to the liability. The expense relating to any provision is presented in the Statements of Loss and Comprehensive Loss.

(k) Share capital

Financial instruments issued by the Company are defined as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares, share options or warrants are shown in equity as a deduction, net of tax, from the proceeds.

2. Material accounting policies (continued)

(l) Use of estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company`s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

The Company is subject to taxation in multiple jurisdictions and determines an income tax provision in each of the jurisdictions in which it operates. Significant judgment is required in determining the worldwide provision for income taxes due to the complexity of legislation. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the income tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

2. Material accounting policies (continued)

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Company uses the Black-Scholes model to value share options.

(m) Share based payments

Where equity-settled share options and restricted share units are awarded to employees, the fair value of the instruments at the date of grant is charged to the Statements of Income (Loss) over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of the share options and restricted share units are modified before they vest, the increase in the fair value of the instruments, measured immediately before and after the modification, is also charged to the Statements of Income (Loss) over the remaining vesting period. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

When equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management`s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

The Company values share options using the Black-Scholes model.

2. Material accounting policies (continued)

(n) Income recognition

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.

(o) Comprehensive Income

Comprehensive income 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 period 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 in net earnings and cumulative translation adjustments resulting from the consolidation of foreign subsidiaries.

(p) Income (loss) per share

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the “if converted” method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

(q) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. The amount of the provision is the difference between the asset`s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

A previously recognized impairment loss may be reversed, to the extent of previously recorded losses, if the asset subsequently recovers.

2. Material accounting policies (continued)

(q) Impairment (continued)

Non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Indications of impairment such as significant decrease in its market price, evidence of obsolescence and physical damage, carrying amount of the net assets is more than its market capitalization, or significant adverse change in use.

Where the carrying value of an asset exceeds its recoverable amount, which is the greater of value in use and fair value less disposal costs, the asset is written down accordingly. If the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down and the impairment loss is recognized in the Statements of Income (Loss).

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the smallest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

A previously recognized impairment loss may be reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset. If this is the case, the carrying amount of the asset is increased to its recoverable amount and is recognized in the Statements of Loss and Comprehensive Loss. The increased amount cannot exceed the carrying amount that would have been determined had no impairment been recognized for the asset.

(r) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses and for which discrete financial information is available. In determining operating segments, the Company considers geographical location to segregate assets located in Canada and the USA.

(s) Future accounting policies

The Company is currently assessing the impact of the following future accounting policies that are not expected to have a material impact on the Company:

Amendment to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current. In January 2020, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. The amendments are to be applied retrospectively.

(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

(s) Future accounting policies (continued)

Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures. In May 2023, the IASB issued new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted.

Amendment to IAS 21 - The Effect of Changes in Foreign Exchange Rates - The amendments provide guidance on the determination of an exchange rate to translate transactions and financial statements denominated or presented in a currency that is not exchangeable into another currency. The amendments are effective for reporting periods beginning January 1, 2025.

3. Accounts receivable

	30-Apr-24 $	30-Apr-23 $
HST	23,997	90,223
GST - SROG	21,047	21,199
Accounts receivable	1,884	11,074
Share subscription receivable	25,000	-
Royalties receivable (1)	-	18,164
Total	71,928	140,660

1 - Royalties receivable

	30-Apr-24 $	30-Apr-23 $
Balance, beginning of year	208,892	-
Add: Sale of oil and gas assets	-	220,016
Add: Interest income	-	7,040
Reclassify: Long-term portion	18,164	(18,164)
Less: Write down	(227,056)	-
Long-term portion	-	208,892

3. Accounts receivable (continued)

During the year ended April 30, 2023, as a result of the sale of oil and gas assets, the Company was to be receiving a 5% royalty on future production to a maximum of $475,000. The Company applied a discount rate of 8% to expected future cash flows to the royalties receivable over an estimated period of 10 years.

During the year ended April 30, 2024, the Company recorded a write-down the royalties receivable in the amount of $227,056 because oil production at the property ceased and there is no certainty as to if or when production will commence in the future.

4. Miscellaneous receivable

The Company's miscellaneous receivable was due from a former officer and director. This amount was non-interest bearing with no set terms of repayment. A portion of the receivable was secured by a pledge of shares of another publicly traded company. Due to increased uncertainty surrounding the timing of recovery of the receivable, the full amount of the receivable of $631,030 was impaired during the year ended April 30, 2023. During the year ended April 30, 2024, the Company reached a settlement with the former officer and director and as a result, recorded a recovery of $605,000. The settlement resulted in 5,000,000 common shares being cancelled for proceeds of $425,000 and $180,000 of management fees being expensed during the year ended April 30, 2024.

(Expressed in Canadian Dollars)

5. Marketable securities

At April 30, 2024 and April 30, 2023, the Company held marketable securities consisting of cash on hand and shares in Canadian listed public companies as follows:

April 30, 2024	Number of Shares	Cost	Short Term FV Adjustment	Long Term FV Adjustment	Fair Value
Benton Resources Inc. - ST	10,000,000	450,000	950,000	-	1,400,000
Benton Resources Inc. - LT	5,000,000	225,000	-	475,000	700,000
Canada Nickel Company	3,555,395	1,150,130	4,005,192	-	5,155,323
Noble Mineral Exploration	10,000,000	392,894	207,106	-	600,000
Magna Terra Minerals Inc.	2,761,312	173,611	(63,159)	-	110,452
Cerro Grande Mining Corp.	26,150	20,593	(20,462)	-	131
		2,412,228	5,078,678	475,000	7,965,906

April 30, 2023	Number of Shares	Cost	Short Term FV Adjustment	Long Term FV Adjustment	Fair Value
Cash					665
Canada Nickel Company - ST	5,767,495	1,865,720	6,612,498	-	8,478,218
Noble Mineral Exploration	10,000,000	392,894	107,106	-	500,000
Magna Terra Minerals Inc.	2,761,312	173,611	(63,159)	-	110,452
Cerro Grande Mining Corp.	26,150	20,593	(20,331)	-	262
		2,452,818	6,636,614	-	9,089,597

5,000,000 of the shares of Benton Resources Inc. that are classified as short-term are held in an Escrow account and cannot be traded until September 2024. 5,000,000 of the shares of Benton Resources Inc. that are classified as long-term are held in an Escrow account and cannot be traded until September 2025.

(Expressed in Canadian Dollars)

6. Prepaid expenses

The prepaid expenses for the Company are as follows:

	30-Apr-24 $	30-Apr-23 $
Prepaid expenses	48,225	14,522
Prepaid expenses - RFN	3,899	-
	52,124	14,522

7. Exploration and evaluation assets

	Nora Lake $	Viking / Kramer $	Great Burnt Copper/Gold $	Foggy Pond $	8 Dollar $	Red Flat / Cleopatra $	Shamrock Property $	Total $
Balance, April 30, 2022	**7,500**	**125,000**	**413,392**	**211,505**	**-**	**-**	**-**	**757,397**
Additions	-	-	10,250	-	-	-	-	10,250
Disposal	-	(125,000)	-	-	-	-	-	(125,000)
Balance, April 30, 2023	**7,500**	**-**	**423,642**	**211,505**	**-**	**-**	**-**	**642,647**
Additions	-	-	7,200	(211,505)	58,553	5,353,525	350,697	5,558,470
Currency translation adjustment	-	-	-	-	-	71,497	(523)	70,974
Disposal	-	-	(302,884)	-	-	-	-	(302,884)
Balance, April 30, 2024	**7,500**	**-**	**127,958**	**-**	**58,553**	**5,425,022**	**350,174**	**5,969,207**

(a) Crooked Green Property, Pifher Township, Ontario

1% net smelter - The Company sold its interest in mining claim units in Pifher Township in 1999 but retained a royalty equal to 1% of the net smelter returns should the property commence commercial production. As at April 30, 2024, commercial production had not commenced and the carrying value is $nil.

(b) Nora Lake Property, Ontario

On May 18, 2005, the Company acquired an option to purchase an eighty nine percent (89%) interest in the Nora Lake area, Ontario.

7. Exploration and evaluation assets (continued)

(c) Viking/Kramer Gold Property, Western Newfoundland

On September 8, 2020 the Company entered into an Amended Option Agreements (the "Agreements") with Magna Terra Minerals Inc. ("Magna Terra") for both the Viking and Kramer Properties ("Viking", "Kramer" or the "Properties") situated near the communities of Pollard's Point and Sop's Arm in White Bay, Newfoundland.

Option Details

Magna Terra was able to earn a 100% interest in the Viking and Kramer Projects by paying the Company a total of $300,000 over 4 payment periods that ended in February 15, 2023. At Magna Terra's election up to half of the payments can be made via the issuance of Common Share Units (the "Units"). Pricing of the Units was calculated using the 20 day volume weighted average price ("VWAP") of Magna Terra's common shares on the TSX Venture Exchange immediately prior to the payment date. Each Unit consisted of one Common Share and ½ Common Share Purchase Warrant. Each whole warrant was exercisable at a 50% premium to the Common Share VWAP, for a period of 2 years from the payment date. The warrant exercise price was not to be less than the market price of the common shares at the time of issuance. The maximum number of Units issuable by Magna Terra is 740,742. During the year ended April 30, 2021 the Company received of $125,000 of consideration comprised of 76,126 units and $100,000 of cash. During the year ended April 30, 2022 the Company received $75,000 of consideration comprised of 185,186 units and $51,389 of cash.

During the year ended April 30, 2023 the agreement was amended and Magna Terra issued 2,500,000 common shares with a fair market value of $125,000 to complete their 100% acquisition of the Viking and Kramer projects including the cancellation of the NSR's.

As a result of the transaction, a $610,000 write-down was recorded during the year ended April 30, 2022 resulting in no gain or loss recorded during the year ended April 30, 2023.

(d) Great Burnt Copper/Gold Property, Central Newfoundland

At April 30, 2023, the Company owns a 100%-undivided interest in the Great Burnt Copper/Gold Property in Central Newfoundland.

During the year ended April 30, 2024, the Company entered into an agreement where Benton Resources Inc. ("Benton") could earn a 70% undivided interest in the property. In consideration, the Company received $40,000 cash and 15,000,000 common shares of Benton Resources Inc. initially valued at $675,000. In addition, Benton was required to complete $1,000,0000 of expenditures on or before the first anniversary and an additional $1,500,000 by the third year anniversary. Upon satisfaction of the conditions, the Company has an option to enter into a joint venture agreement and participate as a 30% joint venture with Benton. Subsequent to year-end, the Company was notified that the expenditures have been completed.

7. Exploration and evaluation assets (continued)

(e) Foggy Pond Property

On September 14, 2021 the Company acquired 767 claims covering 19,175 hectares of land which are contiguous to the Company's Great Burnt Copper-Gold Property.

During the year ended April 30, 2022, the Company issued 2,000,000 shares valued at $200,000 to the vendor for an interest in the property.

During the year ended April 30, 2024 the Company allowed the claims to lapse and abandoned the property resulting in recording an impairment of $211,505 and a write-down of the associated security deposits of $38,350.

(f) 8 Dollar Property

During the year ended April 30, 2024 the Company staked 115 mining claims totalling 962 ha (2,376 ac) covering most of the west side of Eight Dollar Mountain for a cost of $58,553.

Eight Dollar Mountain is composed mainly of peridotite, a nickel-bearing mineral consisting mainly of olivine and containing iron (Fe), magnesium (Mg) and silicate (Si02). The upper tens of feet have been altered to nickel-bearing laterite where the silicate minerals have broken down over time leaving mainly clay-rich minerals containing nickel and lesser cobalt.

(g) Red Flat and Cleopatra Properties

During the year ended April 30, 2024, the Company acquired all of the issued and outstanding shares of RFNH , which is the holder of an 80% interest in HLNC. The Company now owns 80% of HLNC, which owns the Cleopatra and Red Flat nickel laterite deposits in southwest Oregon, both of which host historical resources as well as an interest in some secondary nickel laterite deposits in the vicinity.

The Company acquired a 100% interest in RFNH from RAB Capital Holdings Ltd. ("RAB Capital") for the following consideration:

- an initial $50,000 cash payment;
- 2,000,000 common shares in the capital of Canada Nickel Company Inc. valued at $2,940,000;
- $450,000, which was settled by issuing 9,000,000 units being issued which includes 9,000,000 common shares and 4,500,000 warrants;
- issuing 10,000,000 common shares being subject to a four month and one day statutory hold period;
- granting to RAB Capital a 2.0% net smelter returns on the properties and the deposits, with an option to repurchase 50% of each net smelter return for $2,000,000;
- reimbursing RAB Capital a total of US$60,457 for costs associated with the transaction
- assuming a pre-existing intercorporate loan between RAB Capital and HLNC, which is now owed to the Company;

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

(g) Red Flat and Cleopatra Properties (continued)

- agreeing to pay funds to RAB Capital upon reaching certain milestones, as follows:
    - $1,000,000 cash payment upon filing a technical report on one or both of the Properties where a nickel resource is re-evaluated (or restated) to a standard in accordance with the requirements of National Instrument 43-101 - Standards of Disclosure for Mineral Properties (“NI 43-101”);
    - $2,000,000 cash payment upon completion of a NI 43-101 preliminary economic assessment on one or both of the properties;
    - $2,000,000 cash payment upon completion of a NI 43-101 feasibility study on one or both of the properties; and
    - $10,000,000 cash payment upon announcement of a decision to commence construction on one or both of the properties.

(h) Shamrock Property

On April 18, 2024 Spruce Oregon Holdings, LLC, a wholly owned subsidiary of Spruce Ridge Resources Ltd., acquired 40 unpatented mining claims covering approximately 758 acres located in Oregon, USA.

8. Non-controlling Interest

The Company owns 80% of HLNC which owns the Red Flat and Cleopatra properties that are included in the USA operating segment. Summary financial information for HLNC is as follows:

Summarized statement of financial position

	30-Apr-24 $	30-Apr-23 $
Assets		
Exploration and evaluation assets	5,425,020	-
Accounts payable and accrued liabilities	1,925	-
Shareholders' equity		
Atrributable to the common shareholders	4,338,476	-
Non-controlling interest	1,084,619	-
	5,425,020	-

Summarized statement of loss

Expenses, being net loss	1,925	-
Net loss attributable to:		
Common shareholders	1,540	-
Non controlling interest	385	-

(Expressed in Canadian Dollars)

9. Exploration expenses

A summary of exploration expenditures incurred for the year ended April 30, 2024 is as follows:

	Great Burnt	8 Dollar	Totals
	$	$	$
Field Expenses	3,118	-	3,118
Miscellaneous	6,900	-	6,900
Reports	5,800	6,086	11,886
	15,818	6,086	21,904

A summary of exploration expenditures incurred for the year ended April 30, 2023 is as follows:

	Great Burnt	8 Dollar	Totals
	$	$	$
Field Expenses	61,397	-	61,397
Assays	49,289	-	49,289
Geo’s	11,942	-	11,942
Geoscience	6,400	-	6,400
Drilling	168,479	-	168,479
Wages	18,744	-	18,744
Lease	19,800	-	19,800
	336,051	-	336,051

10. Security deposits

The $70,176 (2023 - $108,526) of security deposits are on hand with provincial governments in connection with various mineral rights claims.

During the year ended April 30, 2024 the company allowed the Foggy Pond claims to lapse. As a result, an impairment of $38,350 was recorded.

(Expressed in Canadian Dollars)

11. Property and equipment

Cost	Land	Buildings	Equipment	Office Equipment	Trucks	Website	Oil and Gas Assets	Total
	$	$	$	$	$	$	$	$
Balance, April 30, 2022	40,000	159,000	241,756	9,200	36,000	-	273,833	759,789
Additions	-	-	-	-	42,413	-	-	42,413
Disposals	-	-	-	-	-	-	(273,833)	(273,833)
Balance, April 30, 2023	40,000	159,000	241,756	9,200	78,413	-	-	528,369
Additions	-	-	23,000	-	-	9,408	-	32,408
Disposals	(5,000)	(37,500)	(241,756)	-	-	-	-	(284,256)
Balance, April 30, 2024	35,000	121,500	23,000	9,200	78,413	9,408	-	276,521
Accumulated Amortization								
Balance, April 30, 2022	-	128,460	215,142	8,836	9,832	-	26,383	388,653
Amortization	-	3,394	5,154	73	7,850	-	28,262	44,733
Disposals	-	-	-	-	-	-	(54,645)	(54,645)
Balance, April 30, 2023	-	131,854	220,296	8,909	17,682	-	-	378,741
Amortization	-	2,688	3,273	58	18,219	941	-	25,179
Disposals	-	(31,099)	(221,269)	-	-	-	-	(252,368)
Balance, April 30, 2024	-	103,443	2,300	8,967	35,901	941	-	151,552
Net Book Value								
Balance, April 30, 2023	40,000	27,146	21,460	291	60,731	-	-	149,628
Balance, April 30, 2024	35,000	18,057	20,700	233	42,512	8,467	-	124,969

12. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities for the Company are as follows:

	30-Apr-24	30-Apr-23
	$	$
Trade payables	64,787	28,530
Trade payables - SROG	-	7,118
Trade payables - RFNH	17,597	-
Accrued liabilities	151,236	63,511
Accrued liabilities - SOH	8,279	-
Total	**241,899**	**99,159**

(Expressed in Canadian Dollars)

13. CEBA loan

The Company received a $60,000 interest free loan due December 31, 2023 supported by the Government of Canada through the Canada Emergency Business Account (CEBA) program. For qualifying entities, the loan is unsecured and non-interest bearing up until December 31, 2023 and will then bear interest of 5% up to December 31, 2025 at which point the balance is due in full. The loan was repaid in full December 2023.

14. Reclamation liability

During the year ended April 30, 2022 the Company assumed a reclamation liability of $213,833 as part of the acquisition of the oil and gas assets in Saskatchewan. The reclamation liability was estimated based on the Company's net ownership interest in the oil and gas assets, estimated costs to abandon and reclaim the facilities, and the estimated timing of costs to be incurred in future periods. It was estimated that the oil and gas assets have an estimated useful life of 10 years and a 10% discount rate was used in calculating the net present value of the reclamation liability.

During the year ended April 30, 2023 the Company sold its oil and gas assets in Saskatchewan and the Company's reclamation liability was extinguished.

15. Income taxes

The provision for income taxes differs from the amounts computed by applying the cumulative Canadian federal and provincial tax rates to the loss before tax provision due to the following:

	2024	**2023**
Net income (loss) before provision for income taxes	320,408	(5,814,181)
Income tax rate	26.50%	26.75%
Expected income taxes	84,900	(1,555,300)
Difference between amortization and CCA	(3,400)	17,000
Resource pool deductions	67,000	(80,800)
Share based compensation	167,100	-
Share issue costs	(5,500)	(5,200)
Loss carryforwards	(47,400)	291,200
Marketable securities	(166,300)	1,169,900
Write-down/recovery of receivable	(100,100)	168,800
Other	3,700	(5,600)
Deferred income tax recovery	-	-

(Expressed in Canadian Dollars)

15. Income taxes (continued)

The following summarizes the deferred income tax assets (liabilities) of Spruce:

	30-Apr-24 $	30-Apr-23 $
Exploration and evaluation assets	138,000	180,300
Non-capital losses	1,487,300	1,533,800
Share issue costs	14,700	15,600
Property and equipment	(300)	10,100
Marketable securities	(735,800)	(879,300)
Miscellaneous receivable	-	167,200
Valuation allowance	(903,900)	(1,027,700)
Deferred income tax liability	-	-

The following summarizes the deferred income tax assets (liabilities) of SROG:

	30-Apr-24 $	30-Apr-23 $
Non-capital losses	123,000	121,000
Other	128,300	66,900
Valuation allowance	(251,300)	(187,900)
Deferred income tax liability	-	-

The income tax rate applied for the foreign subsidiaries is 28.60%. The following summarizes the deferred income tax assets (liabilities) of foreign subsidiaries:

	30-Apr-24 $	30-Apr-23 $
Exploration and evaluation assets	(998,900)	-
Non-capital losses	2,209,200	-
Valuation allowance	(1,210,300)	-
Deferred income tax liability	-	-

(Expressed in Canadian Dollars)

15. Income taxes (continued)

As at April 30, 2024, Spruce has non-capital losses of $5,599,256 (April 30, 2023 - $5,788,079) available for deduction against future taxable income, which will expire as follows:

	30-Apr-24
	$
2042	1,124,745
2041	2,992,072
2039	583,984
2038	233,291
2037	150,695
2036	313,854
2035	94,818
2034	105,797
	5,599,256

As at April 30, 2024 SROG has non-capital losses of $455,424 (2023 - $448,201) for which $448,201 will expire in 2043 and $7,223 will expire in 2044.

As at April 30, 2024, foreign subsidiaries have non-capital losses of $5,619,548 USD (April 30, 2023 - $nil) available for deduction against future taxable income. The losses begin to expire in 2028.

Deferred income tax assets have not been recorded as it is uncertain as to whether or not the benefits will be realized.

(Expressed in Canadian Dollars)

16. Shareholders' equity

(a) Share capital

There are an unlimited common shares without par value authorized for issuance. As at April 30, 2024 217,707,202 (2023 – 180,207,202) common shares have been issued.

On December 21, 2023, the Company completed a private placement of 30,000,000 units at a price of $0.05 per unit for total proceeds of $1,500,000. Each unit consisted of one common share and one half share purchase warrant. Each whole share purchase warrant entitled the holder to purchase one additional common share at a price of $0.10 per share for a period of two years expiring on December 21, 2025. The Company recognized a value of $300,000 to the warrants using the Black Scholes option pricing model and the residual value method was used to allocate the remaining $1,200,000 to share capital.

(b) Warrants

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. During the year ended April 30, 2024, 15,000,000 warrants were issued in connection with a private placement that expire on December 21, 2025. The warrants entitle the holders thereof the right to purchase one common share and one common share purchase warrant for each unit. No warrants were issued or exercised during the year ended April 30, 2023.

Warrants transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price $
Balance, as at April 30, 2022	**374,990**	**0.14**
Warrants expired	(111,990)	0.14
Balance, as at April 30, 2023	**263,000**	**0.14**
Warrants granted	15,000,000	0.10
Warrants expired	(263,000)	0.14
Balance, as at April 30, 2024	**15,000,000**	**0.10**

The fair value of the 15,000,000 warrants of $300,000 was determined using the Black Scholes option pricing model with the following assumptions - risk-free interest rate of 3.91%; dividend yield of $nil; expected volatility of 103%; expected life of 2 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data.

(Expressed in Canadian Dollars)

16. Shareholders' equity (continued)

(c) Share options

On December 13, 2023 the Company granted 9,250,000 share options to directors of the Company and to consultants. The share options entitle the holders thereof the right to purchase one common share for each option at a price of $0.08 per share expiring on December 13, 2026 and vested on the grant date. The fair value of the share options of $555,000 was determined using the Black Scholes option pricing model with the following assumptions - risk-free interest rate of 3.70%; dividend yield of $nil; expected volatility of 102%; expected life of 3 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data.

A summary of the status of outstanding share options as of April 30, 2024 is presented below.

	Stock Options	Weighted Average Exercise Price $
Balance, April 30, 2022	**1,350,000**	**0.05**
Options expired	(900,000)	0.05
Balance, April 30, 2023	**450,000**	**0.05**
Options granted	9,250,000	0.08
Options expired	(450,000)	0.05
Balance, April 30, 2024	**9,250,000**	**0.08**

(d) Restricted Share Units

During the year ended April 30, 2024, the Company granted 2,600,000 restricted share units ("RSU"). The RSU's vest on December 13, 2024 and will be settled with equity instruments. Share based compensation expense of $75,515 was recorded during the year ended April 30, 2024.

17. Earnings per share

Warrants and share options were not included in the diluted net income per share calculation for the year ended April 30, 2024 as the effect would have been anti-dilutive.

(Expressed in Canadian Dollars)

18. Related party transactions

During the year ended April 30, 2024, $203,248 (2023 - $108,000) of expenses were incurred to a company controlled by the Chief Executive Officer for management services with $16,950 (2023 - $12,000) remaining in accounts payable and accrued liabilities at year-end.

During the year ended April 30, 2024, $30,000 (2023 - $26,452) was paid or accrued to a company controlled by the Chief Financial Officer for management and accounting services with $3,390 (2023 - $2,260) remaining in accounts payable and accrued liabilities at year-end.

During the year ended April 30, 2024, $31,059 (2023 - $nil) of expenses were incurred to an individual for Corporate Secretary services with $5,858 (2023 - $nil) remaining in accounts payable and accrued liabilities at year-end.

During the year ended April 30, 2024, share based compensation expense includes $630,515 (2023 - $nil) relating to share options and RSU's issued to directors of the Company.

During the year ended April 30, 2024, $nil (2023 - $45,000) of expenses were incurred to a company controlled by the former President of the Company for management and accounting services. The former President was paid $180,000 in Management fees during the year as part of the legal settlement.

During the year ended April 30, 2024, $nil (2023 - $46,486) of expenses were incurred to the former Vice President of Exploration for geological services, with $nil (2023 - $10,736) remaining in accounts payable and accrued liabilities at year-end.

19. Segmented financial information

The Company owns evaluation and exploration assets in both Canada and the USA and therefore operating segments have been aggregated geographically. Total assets and liabilities by each segment are as follows:

	Canada $	USA $	Total $
Total assets	8,588,931	5,837,648	14,426,579
Total liabilities	216,023	25,876	241,899

For the year ended April 30, 2024, all revenues and expenses are attributable to the Canada segment except for $8,887 of expenses which are attributable to the USA segment.

20. Contingencies

In the normal course of operations, the Company may become subject to a variety of legal and other claims. Management and legal counsel evaluate all claims on their apparent merits, and accrue management's best estimate of the estimated costs to satisfy such claims. No amounts have been recorded as the outcome of the current legal claims is determined to be unknown.

21. Capital and financial risk management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of the CEBA loan and shareholders' equity comprised of issued share capital and warrants.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended April 30, 2023.

<u>Fair Value</u>

The carrying values for primary financial instruments, including cash, accounts receivable, security deposits, accounts payable and accrued liabilities and CEBA loan approximate fair values due to their short-term maturities. The Company's exposure to potential loss from financial instruments relates primarily to its cash held with Canadian financial institutions.

The fair value of financial instruments that are measured subsequent to initial recognition at their fair value, is measured within a 'fair value hierarchy' which has the following levels:

i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
ii) Level 2: valuation techniques using 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); and
iii) Level 3: valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's marketable securities are considered Level 1.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Company during the year. The objectives and strategy for the exploration and evaluation asset portfolio remains unchanged.

21. Capital and financial risk management (continued)

The Company's exploration and development activities expose it to the following financial risks:

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions are denominated in United States dollars and from the activities undertaken by the foreign subsidiaries.

The Company has no United States dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

The Canadian dollar equivalent of monetary assets and liabilities held by the Company that are denominated in United States dollars are as follows:

	30-Apr-24 $	30-Apr-23 $
Cash	1,188	3,985
Accounts payable and accrued liabilities	132,924	-

Had the Canadian dollar had strengthened or weakened 5 percent against the United States dollar with all other variables held constant, net income (loss) for the Company for the year ended April 30, 2024 would have changed by approximately $5,700 (April 30, 2023 - $100) and additional loss from currency translation adjustments of joint ventures and associates included in other comprehensive income for the year ended April 30, 2024 of approximately $287,900 (April 30, 2023 - $nil).

21. Capital and financial risk management (continued)

The sensitivity analyses do not take into consideration that the Company's assets and liabilities are actively managed. Additionally, the financial position of the Company may vary at the time that any actual market movement occurs or be mitigated by management actions to reduce exposure to risks.

Other limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty; and the assumption that all interest rates move in an identical fashion.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company is exposed to price risk with the marketable securities held in publicly-traded companies. The Company's marketable securities are subject to risks associated with fluctuations in the market price of the marketable securities.

Interest Rate Risk

The Company's cash may contain highly liquid investments that earn interest at market rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

22. Subsequent events

On June 20, 2023 the Company entered into agreement to sell its property at 14 Pennell's Lane in Deer Lake, Newfoundland for gross proceeds of $130,500. The transaction is expected to result in an estimated gain of approximately $77,400 and closed on May 1, 2024.

On May 10, 2024, the Company completed a vertical amalgamation with Homeland Nickel Inc. resulting in a name change from Spruce Ridge Resources Ltd. to Homeland Nickel Inc.

Subsequent to year-end, the Company has agreed to acquire an additional 18.8% interest in HLNC and will be issuing an additional 3,781,200 common shares in consideration. These transactions will increase the Company's interest in HLNC to 98.8% and are subject to TSX approval.