

Gama Explorations Inc.

Condensed Interim Financial Statements
For the three months ended April 30, 2022 and 2021
(Expressed in Canadian dollars)

NOTE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management. The Company's independent auditor has not performed a review of these interim financial statements.

Gama Explorations Inc.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

As at	April 30, 2022 \$	January 31, 2021 \$
ASSETS		
Current assets		
Cash	361,366	456,377
GST receivable	5,922	-
Prepaid Expenses	5,000	-
Total current assets	372,288	456,377
Exploration and evaluation asset (Note 3)	170,595	170,595
TOTAL ASSETS	542,883	626,972
LIABILITIES		
Current liabilities		
Accounts payable	89,120	31,319
Accrued liabilities	17,313	20,188
Total liabilities	106,433	51,507
Equity		
Common shares (Note 4)	693,450	693,450
Deficit	(257,000)	(117,985)
Total equity	496,450	575,465
TOTAL LIABILITIES AND EQUITY	542,883	626,972

Going concern (Note 1)
Subsequent event (Note 8)

APPROVED BY THE BOARD:

<u>“Allan Larmour”</u>	<u>“Jason Riley”</u>
Director	Director

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

Gama Explorations Inc.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian dollars)

	April 30, 2022	April 30, 2021
For the three months ended	\$	\$
Operating expenses		
Advertising and marketing	1,451	5,250
Bank charges and interest	447	90
Consulting fees	60,000	-
Listing fees	10,500	25,993
Office and administrative	3,219	190
Professional fees	63,398	22,500
Net loss and comprehensive loss	(139,015)	(54,023)
Loss per share – basic and diluted	(0.01)	-
Weighted average number of common shares outstanding – basic and diluted	27,470,800	24,161,631

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

Gama Explorations Inc.
Condensed Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Number of shares	Common shares \$	Deficit \$	Total \$
Balance January 31, 2021	24,022,800	539,750	(24,860)	514,890
Shares issued for property purchase (Note 3 and Note 4)	1,300,000	100,000	-	100,000
Shares issued for cash (Note 4)	148,000	3,700	-	3,700
Net loss for the period	-	-	(54,023)	(54,023)
Balance April 30, 2021	25,470,800	643,450	(78,883)	564,567
Balance January 31, 2022	27,470,800	693,450	(117,985)	575,465
Net loss for the period	-	-	(139,015)	(139,015)
Balance April 30, 2022	7,542,700	693,450	(257,000)	436,450

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

Gama Explorations Inc.
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

For the three months ended	April 30, 2022	April 30, 2021
	\$	\$
OPERATING ACTIVITIES		
Net loss	(139,015)	(54,023)
Changes in non-cash working capital items:		
GST receivable	(5,922)	-
Prepaid expenses	(5,000)	-
Accounts payable and accrued liabilities	54,926	43,243
Cash used in operating activities	(95,011)	(10,780)
INVESTING ACTIVITIES		
Exploration costs on exploration and evaluation asset	-	(58,820)
Cash used in investing activities	-	(58,820)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	-	3,700
Cash from financing activities	-	3,700
Net change in cash	(95,011)	(65,900)
Cash, beginning of year	456,377	521,996
Cash, end of year	361,366	456,096

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

Gama Explorations Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended April 30, 2022

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Gama Explorations Inc. (the “Company”) is a mining exploration company engaged in the identification, acquisition, evaluation and exploration of mineral properties located in British Columbia, Canada. The head office of the Company is located at 820 – 1130 West Pender Street, Vancouver, Canada V6E 4A4.

The Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake further exploration to potentially identify mineral resources and resources requiring development of its mineral properties. Management believes that financing is available for early stage exploration and may be sourced in time to allow the Company to continue its current planned activities in the normal course.

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. On March 11, 2020, the outbreak of the novel strain of coronavirus specifically identified as “COVID-19” was declared a pandemic by the World Health Organization. The outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of the virus which in turn have caused material disruption to business globally. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. Conditions surrounding COVID-19 continue to rapidly evolve and the efficacy of the government and central bank interventions is unknown at this time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

The Company had cash of \$361,366 at April 30, 2022, but management cannot provide any assurance that the Company will ultimately achieve profitable operations, become cash flow positive or raise additional equity and/or debt capital. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company is dependent on raising capital through share issuances.

2. BASIS OF PREPARATION

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s audited financial statements for the year ended January 31, 2022.

Gama Explorations Inc.
Notes to the Condensed Interim Financial Statements
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2. BASIS OF PREPARATION (CONT'D)

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended January 31, 2022. In addition, other than noted below, the accounting policies applied in these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended January 31, 2022.

The Company's interim results are not necessarily indicative of its results for a full year.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors on June 29, 2022.

Basis of Presentation

These condensed interim financial statements have been prepared on a historical cost basis and presented in Canadian dollars which is the functional currency of the Company. The financial statements of the Company have been prepared on an accrual basis, except for cash flow information. The condensed interim financial statements have been prepared on a historical cost basis except for warrants and options, which are measured at fair value.

3. EXPLORATION AND EVALUATION ASSET

	Golden Wonder Project	Big Onion Project	Total
	\$	\$	\$
Balance at January 31, 2021	-	-	-
Property payments – cash	50,000	-	50,000
Property payments – shares	100,000	-	100,000
Assignment of consideration	(150,000)	150,000	-
Exploration costs	-	20,595	20,595
Balance at January 31, 2022	-	170,595	170,595

Golden Wonder Project

On February 2, 2021, the Company entered into a property purchase agreement with Blue Lagoon Resources Inc., to acquire a 100% interest in five mineral claims located in Northern British Columbia that comprise the Golden Wonder Project. Consideration for the purchase was as follows:

Gama Explorations Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended April 30, 2022

(Expressed in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSET (CONT'D)

- \$50,000 cash payment (paid February 17, 2021)
- Issuance of 1,000,000 common shares (issued pre-split)
-

The agreement is subject to a net smelter royalty (“NSR”) of 0.5%.

Blue Lagoon Resources Inc. is a related company as a result of common directorship.

On November 12, 2021, this agreement was terminated and the consideration paid was assigned to the option agreement for the Big Onion Project.

Big Onion Project

On December 6, 2021, the Company entered into a property option agreement with Lloyd Minerals Inc. (the “Vendor”), a subsidiary of Blue Lagoon Resources Inc, to acquire a 100% ownership and beneficial interest in thirteen mineral claims located in British Columbia that comprise the Big Onion property (the “Option”), subject to a 3% NSR (the “Property”). The royalties may be reduced by 0.25% increments in exchange for payment of \$250,000 per increment.

In order to exercise the Option, the Company is required to make cash and share payments to the Vendor, and incur property expenditures as follows:

On or prior to the execution of the agreement

- Make a cash payment of \$50,000 (assigned from Golden Wonder)
- Issue 1,000,000 shares (assigned from Golden Wonder) (issued pre-split and resulting in 1,300,000 post-split as per agreement with Blue Lagoon Resources Inc.)

On or prior to the date that is twelve months following the date in which the Company is listed on a Canadian stock exchange (the “Listing Date”)

- Make a cash payment of \$50,000
- Incur \$250,000 of expenditures on the Property

On or prior to the date that is twenty-four months following the Listing Date

- Make a cash payment of \$50,000
- Issue 250,000 shares
- Incur \$250,000 of expenditures on the Property

On or prior to the date that is thirty-six months following the Listing Date

- Make a cash payment of \$100,000
- Issue 250,000 shares
- Incur \$250,000 of expenditures on the Property

On or prior to the date that is forty-eight months following the Listing Date

- Make a cash payment of \$250,000
- Issue 500,000 shares
- Incur \$750,000 of expenditures on the Property

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4. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Three months ended April 30, 2022

On April 27, 2022, the Company completed a forward split of its shares on the basis of 4 new shares for each one share outstanding (the “Forward Split”), with the exception of 900,000 of the pre-Forward Split common shares issued to Blue Lagoon for the acquisition of the Big Onion Project (Note 3). Prior to the Forward Split, the Company had 7,542,700 common shares issued and outstanding. Immediately following the Forward Split, the Company had 27,470,800 common shares issued and outstanding. Except where otherwise indicated, all historical share numbers and per share amounts have been adjusted on a retroactive basis to reflect the Forward Split.

Three months ended April 30, 2021

On February 7, 2021, the Company issued 1,300,000 common shares pursuant to the property purchase agreement with Blue Lagoon Resources Inc. for the Golden Wonder Project (Note 4). 1,000,000 pre-split shares were issued, which resulted in 1,300,000 post-split common shares pursuant to an agreement between the Company and Blue Lagoon Resources Inc. The fair value of the shares was \$100,000.

On February 22, 2021, the Company issued 148,000 common shares at \$0.03 per share for cash proceeds of \$3,700.

5. CAPITAL MANAGEMENT

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors.

There were no significant changes in the Company’s approach or the Company’s objectives and policies for managing its capital.

As at April 30, 2022, the Company’s capital structure consists of the equity of the Company. The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

As at April 30, 2022, the Company’s available capital resources, consists of cash of \$361,366 to settle total current liabilities of \$43,433.

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Notes to the Condensed Interim Financial Statements

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6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial assets consist of cash in bank and its financial liabilities consist of accounts payable and accrued liabilities. The Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted due to their short-term nature.

Financial instrument classification

Financial assets included in the statement of financial position are as follows:

	Level in fair value hierarchy	April 30, 2022 \$	January 31, 2022 \$
FVTPL:			
Cash	Level 1	361,366	456,377
Amortized cost:			
GST receivable		2,922	-
		364,288	456,377

Financial liabilities included in the statement of financial position are as follows:

	Level in fair value hierarchy	April 30, 2022 \$	January 31, 2022 \$
Amortized cost:			
Accounts payable		26,120	31,319
Accrued liabilities		17,313	20,188
		43,433	51,507

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. directly from prices);and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

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6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it has sufficient working capital to meet liabilities when due. As at April 30, 2022, the Company has cash of \$361,366 to settle current liabilities of \$43,433. All of the Company's financial liabilities have contractual maturities of 30 days and are subject to normal trade terms.

7. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the year-ended January 31, 2022, 1,300,000 common shares were issued (1,000,000 pre-split shares were issued, 900,000 of which were not subject to the Forward Split) and a \$50,000 cash payment was made to Blue Lagoon Resources Inc. in relation to the property purchase agreement (Note 3). Blue Lagoon Resources Inc. is a related company as a result of common directorship.

8. SUBSEQUENT EVENT

Subsequent to April 30, 2022, the Company closed a private placement offering of 5,145,000 common shares at a price of \$0.25 per share for gross proceeds of \$1,286,250.

In connection with the private placement, the Company paid cash finders fees of \$21,612 and issued 86,450 finder warrants. Each finder's warrant may be exercised at a price of \$0.30 per share for a period of 24 months from the closing date.