Delta Resources Limited

(An exploration stage company)
Condensed Interim Financial Statements
(Unaudited)
For the three-month period ended March 31, 2023

MANAGEMENT'S COMMENTS ON UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim condensed financial statements by an entity's auditor.

Contents

Delta Resources Limited
(An exploration stage company)
Statements of financial position
(In Canadian dollars)

	As at March 31, 2023 $	As at December 31, 2022 $
ASSETS		
Current assets:		
Cash	**2,404,522**	2,992,299
Other receivables	**10,000**	161,296
Sales tax receivable	**160,468**	86,889
Refundable tax credit on mining duties and refundable tax credit related to resources	**160,448**	160,541
Prepaid expenses	**71,915**	66,192
	2,807,353	3,467,217
Non-current assets:		
Property and equipment (Note 5)	**4,334**	4,738
	4,334	4,738
Total assets	**2,811,687**	3,471,955
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities (Notes 6 and 12)	**737,165**	533,516
Other liabilities related to flow-through shares (Note 7)	**161,676**	325,754
Current portion of the long-term debt (Note 8)	**30,000**	30,000
	928,841	889,270
Total liabilities	**928,841**	889,270
EQUITY		
Common shares and warrants (Note 9)	**38,673,494**	38,259,528
Contributed surplus	**8,295,206**	8,066,503
Deficit	**(45,085,854)**	(43,743,346)
Total equity	**1,882,846**	2,582,685
Total liabilities and equity	**2,811, 687**	3,471,955

Going concern, related party transactions, contingent liabilities, commitments and subsequent events (Notes 3, 12, 13, 14 and 18).

These financial statements were approved by the Company's board of directors on May 26, 2023.

"Frank Candido"

Frank Candido, Director

" Sara Paquet"

Sara Paquet, Director

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

Delta Resources Limited

(An exploration stage company)

Statements of net loss and comprehensive loss

For the three-month period ended March 31

(In Canadian dollars)

	2023	2022
	$	$
Operating Expenses		
Exploration and evaluation expenditures (Note 10)	**1,060,701**	1,139,985
Shareholders' information	**48,788**	24,570
Legal, financial and other corporate expenses	**106,922**	63,890
Management fees (Note 12)	**15,000**	15,000
General and administrative expenses	**43,830**	24,867
Depreciation of property and equipment (Note 5)	**404**	395
Share-based compensation (Note 9)	**230,572**	320,387
Other	**6,966**	1,172
	1,513,183	1,590,266
Other Income		
Interest income	**6,597**	488
	6,597	488
Loss before income taxes	**(1,506,586)**	(1,589,778)
Deferred income taxes	**164,078**	194,501
Loss and comprehensive loss for the period	**(1,342,508)**	(1,395,277)
Basic and fully diluted loss per common share (Note 16)	**(0.018)**	(0.028)
Weighted average number of shares outstanding (Note 16)	**76,497,619**	49,226,674

The accompanying notes are an integral part of these financial statements

(In Canadian dollars)

	2023	2022
	$	$
CASH PROVIDED BY (USED IN):		
Operating activities:		
Net loss and comprehensive loss for the period	**(1,342,508)**	(1,395,277)
Items not involving cash:		
Refundable tax credit on mining duties and refundable tax credit related to resources	**93**	-
Share-based compensation	**230,572**	320,387
Depreciation of property and equipment	**404**	395
Deferred income taxes	**(164,078)**	(194,501)
	(1,275,517)	(1,268,996)
Net change in non-cash operating working capital items (Note 11)	**275,643**	308,006
Cash flows related to operating activities	**(999,874)**	(960,990)
Investing activities:		
Acquisition of property and equipment	-	(3,194)
Cash flows related to investing activities	**-**	(3,194)
Financing activities:		
Issuance of shares and warrants	**450,000**	-
Options exercised	**4,375**	-
Share issue costs	**(42,278)**	(3,694)
Cash flows related to financing activities	**412,097**	(3,694)
Decrease in cash	**(587,777)**	(967,878)
Cash, beginning of period	**2,992,299**	3,612,736
Cash, end of period	**2,404,522**	2,644,858

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

Delta Resources Limited
(An exploration stage company)
Statements of Changes in Equity

For the three-month period ended March 31,
(In Canadian dollars)

	Common shares (note 9)	Common shares and warrants $ (note 9)	Contributed Surplus $ (note 9)	Deficit $	Total $
Balance, January 1, 2023	**73,444,508**	**38,259,528**	**8,066,503**	**(43,743,346)**	**2,582,685**
Shares and warrants issuance	**4,500,000**	**450,000**	**-**	**-**	**450,000**
Options issued	**-**	**-**	**230,572**	**-**	**230,572**
Broker warrants issued	**-**	**-**	**1,223**	**-**	**1,223**
Broker warrants exercised	**17,500**	**7,467**	**(3,092)**	**-**	**4,375**
Share issue costs	**-**	**(43,501)**	**-**	**-**	**(43,501)**
Net loss and comprehensive loss for the period	**-**	**-**	**-**	**(1,342,508)**	**(1,342,508)**
Balance, March 31, 2023	**77,962,008**	**38,673,494**	**8,295,206**	**(45,085,854)**	**1,882,846**
Balance, January 1, 2022	49,226,674	35,793,654	7,710,475	(39,800,320)	3,703,809
Options issued	-	-	320,387	-	320,387
Share issue costs	-	(3,694)	-	-	(3,694)
Net loss and comprehensive loss for the period	-	-	-	(1,368,277)	(1,368,277)
Balance, March 31, 2022	49,226,674	35,789,960	8,030,862	(41,168,597)	2,652,225

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

1. Statute of incorporation and nature of activities

Delta Resources Limited (the "Company") is a corporation continued under the *Business Corporations Act* (Ontario) incorporated on January 19, 1946. The Company changed its name to Delta Resources Limited from Golden Hope Mines Limited in June 2019. The Company's principal operations are mining properties and exploration expenditures made on properties that are not in commercial production. The Company is exploring its mining properties and has not determined whether or not the properties contain economically recoverable resources. The address of the registered office is 1718, Christine Crescent, Kingston, Ontario, Canada, K7L 4V4.

The Company's shares are traded on the TSX Venture Exchange under the symbol DLTA, on the Over-The-Counter Bulletin Board (OTCBB) under the symbol DTARF and on the Frankfurt Stock Exchange under the symbol 6G01.

2. Statement of Compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The same accounting policies and methods of computation were followed in the preparation of these condensed interim financial statements as were followed in the preparation of the financial statements for the year ended December 31, 2022. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended December 31, 2022 which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board.

The Board of Directors approved these financial statements on May 26, 2023.

Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention, unless specifically stated in the financial statements.

Functional and Presentation currency

These financial statements are presented in Canadian Dollars because that is the currency of the primary economic environment in which the Company operates, and is the functional currency of the Company.

3. Going concern

The Company has not yet determined whether its mining properties contain mineral deposits that are economically recoverable. The recoverability of mining properties is dependent on the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; and the ability to obtain the financing required to complete exploration, evaluation, development and construction or the proceeds from the sale of such assets.

The accompanying financial statements have been prepared using assumptions applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt on the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern, as described in the following paragraph. These financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary were the going concern assumption not appropriate. These adjustments could be material.

3. Going concern - Cont'd

The Company had recurring losses in the current and prior years, including a net loss of $1,342,508 for the three-month period ended March 31, 2023, has an accumulated deficit of $45,085,854 (2022 - $41,195,597) since its inception, and expects to incur further losses in the development of its business. Further, the business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in the discovery of economically recoverable reserves and resources and/or profitable mining operations.

In addition to ongoing working capital requirements, the Company must secure sufficient funding for the exploration and evaluation programs and pay general and administrative costs. The Company's ability to continue as a going concern is dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. As at March 31, 2023, the Company has a working capital of $1,878,512 (2022 - $2,571,762). Management estimates that funds on hand will not be sufficient to meet the Company's obligations and commitments and to pursue and complete the development of its mining properties. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

The conditions and uncertainties described above indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's business plan is dependent on raising additional funds to finance operations within and beyond the next 12 months. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new debt or equity instruments, reduction in expenditures and/or the introduction of joint venture partners and/or business combinations on terms which are acceptable to the Company. Although the Company has been successful in the past at raising funds, there can be no assurance the Company will be able to secure financing in the future or that these sources of funding will be available.

4. Critical accounting estimates, judgments

When preparing its financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management in the audited financial statement ended December 31, 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Significant areas requiring the uses of management estimates relate to determining the fair value of share purchase options granted and warrants issued and significant areas requiring the uses of management judgments relate to determining the ability to continue as a going concern.

Critical judgments in applying accounting policies

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There is a material uncertainty regarding the Company's ability to continue as a going concern.

(in Canadian dollars)

4. Critical accounting estimates, judgments – Cont'd

Refundable tax credit on mining duties and refundable tax credit related to resources

The refundable tax credit on mining duties and refundable tax credit related to resources are estimated by management based on quantitative and qualitative analysis and interpretation of various government programs, related restrictions, limitations, definitions, and eligibility conditions. Uncertainty over the eligibility and final assessment by taxation authorities of investment tax credits requires judgment. Management involves its technical staff and external specialists in determining if the expenditures meet the requirements of the different tax credit claims.

Estimates

Estimate of the fair value of share options

The fair value of each option granted is estimated at the grant date using the Black-Scholes option pricing model. The estimated life of the share options at the grant date is based on the legal life of the share options and the historical exercise pattern of option holders. Management also estimates the expected forfeitures in calculating the fair value of each option. The expected volatility used to calculate the grant date fair value estimated taking into account the historical volatility of the Company's share price over the expected term of the options granted. Historical volatility is revised whenever facts and circumstances indicate that the historical volatility is no longer appropriate.

Such facts and circumstances include but are not limited to the Company entering a new phase of mining activity, the development of new technologies, changes to the financial position of the Company, and when the spread between market participants volatility data, derived from the calculation of the fair value of financial instruments and equity instruments issued by the Company, is significant. If management estimates that historical volatility requires an adjustment, the Company also takes into consideration the historical volatility of comparable companies at similar stages of development as the Company as well as the volatility estimates derived from the fair value calculation of financial instruments and equity instruments in periods when this information is available.

5. Property and equipment

	Equipment	Computer	Total
	$	$	$
2023			
Cost:			
Balance at January 1	**2,990**	**4,744**	**7,734**
Balance at March 31	**2,990**	**4,744**	**7,734**
Accumulated Depreciation:			
Balance at January 1	**(435)**	**(2,561)**	**(2,996)**
Additions	**(189)**	**(215)**	**(404)**
Balance at March 31	**(624)**	**(2,776)**	**(3,400)**
Net book value	**2,366**	**1,968**	**4,334**

(in Canadian dollars)

5. Property and equipment – Cont'd

	Building	Land	Computer	Total
	$	$	$	$
2022				
Cost:				
Balance at January 1	**41,712**	**25,351**	**1,550**	**68,613**
Additions	**-**	**-**	**3,194**	**3,194**
Balance at March 31	**41,712**	**25,351**	**4,744**	**71,807**
Accumulated Depreciation:				
Balance at January 1	**(16,540)**	**-**	**(1,409)**	**(17,949)**
Additions	**(248)**	**-**	**(147)**	**(395)**
Balance at March 31	**(16,788)**	**-**	**(1,556)**	**(18,344)**
Net book value	**24,924**	**25,351**	**3,188**	**53,463**

The building represents a warehouse at Ste-Justine, Quebec, for exploration site storage.

6. Accounts payable and accrued liabilities

	March 31, 2023	December 31, 2022
	$	$
Trade payable	**689,912**	526,885
Accruals	**47,253**	6,631
	737,165	533,516

7. Other liabilities related to flow-through shares

	March 31, 2023	**December 31, 2022**
	$	$
Balance, beginning of period	**325,754**	300,030
Increase in the period	**-**	325,754
Decrease related to the incurring of expenses	**(164,078)**	(300,030)
Balance, end of period	**161,676**	325,754

Other liabilities related to flow-through shares represents the renunciation of tax deductions to investors following flow-through shares financing.

During the year ended December 31, 2022, the Company committed to pay, before December 31, 2023, $1,812,931 in eligible exploration and evaluation expenses, in accordance with the *Income Tax Act* of Canada and the *Taxation Act* of Québec, and to transfer these tax deductions to investors in flow-through share investments completed in 2022. In connection with this commitment, the Company incurred cumulative eligible expenses of $930,704 as at March 31, 2023.

(in Canadian dollars)

7. Other liabilities related to flow-through shares – Cont'd

The disallowance of certain expenses by tax authorities could have negative tax consequences for investors or the Company. In such an event, the Company would indemnify each flow-through share subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to renounce the qualifying expenditures as agreed.

8. Long-term debt

	March 31, 2023 **$**	December 31, 2022 $
Balance, beginning of period	**30,000**	30,000
Minus: Current portion	**(30,000)**	(30,000)
Balance, end of period	**-**	-

On May 7, 2020, the Company received an interest-free loan of $40,000 under the Canada Emergency Business Account program. The loan originally matured December 31, 2022, but in October 2022, the repayment date has been extended to December 31, 2023. Repaying the balance of the loan on or before December 31, 2023 will result in loan forgiveness of 25%. The Company has a reasonable assurance that the loan will be repaid by December 2023 and will receive the loan forgiveness. Therefore, the Company recorded in 2020 an amount of $10,000 under government grant in the statement of net loss and comprehensive loss.

9. Common shares and warrants

Authorized: An unlimited number of common shares, without par value:

Changes in Company common shares and warrants were as follows:

	March 31, 2023		December 31, 2022	
	Number	**Amount** **$**	Number	Amount $
Balance, beginning of period	**73,444,508**	**38,259,528**	49,226,674	35,793,654
Shares issued pursuant to private placements (2)(3)(5)(6)(7)	**4,500,000**	**450,000**	9,585,000	958,500
Shares issued pursuant to flow-through placement (4)(8)	**-**	**-**	13,232,834	1,487,176
Share issuance in consideration of exploration and evaluation expenditures (9)(10)(11)(12)	**-**	**-**	1,400,000	190,000
Broker warrants exercised (1)	**17,500**	**7,467**	-	-
Share issue costs	**-**	**(43,501)**	-	(169,802)
Balance, end of period	**77,692,008**	**38,673,494**	73,444,508	38,259,528

9. Common shares and warrants – Cont'd

(1) On March 16, 2023, the Company received $4,375 following the exercise of 17,500 broker warrants at $0.25 each.

(2) On January 30, 2023 the Company completed a non-brokered private placement by issuing 4,500,000 units of the Company at a price of $0.10 per unit, for gross proceeds of $450,000. Each unit consists of one common share and one common share purchase warrant exercisable for up to 24 months from closing at $0.18.

(3) On December 22, 2022, the Company issued 9,585,000 units at a price of $0.10 per unit, for gross proceeds of $958,500. Each unit consists of one common share and one share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.18 for a 24-month period.

(4) On December 22, 2022, the Company issued 1,658,923 National Flow-Through units at a price of $0.13 per unit, for gross proceeds of $215,660. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. An amount of $215,660 was allocated to share capital, while an amount of $24,884 was attributed to other liabilities related to flow-through shares (Note 9).

(5) On December 22, 2022, the Company issued 4,654,074 Québec Flow-Through units at a price of $0.14 per unit, for gross proceeds of $651,570. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. An amount of $651,570 was allocated to share capital, while an amount of $116,352 was attributed to other liabilities related to flow-through shares (Note 9).

(6) On December 15, 2022, the Company issued 2,307,694 National Flow-Through units at a price of $0.13 per unit, for gross proceeds of $300,000. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. An amount of $300,000 was allocated to share capital, while an amount of $46,154 was attributed to other liabilities related to flow-through shares (Note 9).

(7) On December 15, 2022, the Company issued 1,612,143 Québec Flow-Through units at a price of $0.14 per unit, for gross proceeds of $225,700. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. An amount of $225,700 was allocated to share capital, while an amount of $48,364 was attributed to other liabilities related to flow-through shares (Note 9).

(8) On December 15, 2022, the Company issued 3,000,000 Charity Flow-Through units at a price of $0.14 per unit, for gross proceeds of $420,000. Each unit consists of one common share and one half share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at $0.14 for a 24-month period. An amount of $420,000 was allocated to share capital, while an amount of $90,000 was attributed to other liabilities related to flow-through shares (Note 9).

(9) In November 2022, the Company paid in cash an amount of $40,000 and issued 100,000 common shares of the Company pursuant the signature of the Beaucage Property Agreement. The total fair value of the common shares issued of $12,500 was determined using the closing price on the TSX Venture Exchange as at November 28, 2022.

(10) In October 2022, the Company paid in cash an amount of $75,000 and issued 500,000 common shares of the Company pursuant to the third anniversary Eureka Property Agreement. The total fair value of the common shares issued of $45,000 was determined using the closing price on the TSX Venture Exchange as at October 3, 2022.

(11) In October 2022, the Company paid in cash an amount of $100,000 and issued 700,000 common shares of the Company pursuant to the third anniversary of R-14 Property Agreement. The total fair value of the common shares issued of $122,500 was determined using the closing price on the TSX Venture Exchange as at October 17, 2022.

(in Canadian dollars)

9. Common shares and warrants – Cont'd

(12) On May 27, 2022, the Company issued 100,000 common shares under the Option Agreement related to the Dollier Property. The total fair value of the common shares issued of $10,000 was determined using the closing price on the TSX Venture Exchange as at May 26, 2022.

Warrants issued and outstanding

Changes in share purchase warrants were as follows:

	March 31, 2023		December 31, 2022	
	Number of warrants	**Weighted Average Exercise Price**	Number of warrants	Weighted Average Exercise Price
Balance, beginning of period	**22,223,408**	**$0.27**	11,098,772	$0.37
Issued	**4,500,000**	**0.18**	16,201,417	0.21
Expired	**(428,570)**	**0.45**	(5,076,781)	0.29
Balance, end of period	**26,294,838**	**$0.25**	22,223,408	$0.27

At March 31, 2023, the following exercisable warrants were outstanding:

Warrants	**Price**	**Expiry**
4,245,812	0.45	December 1, 2023
993,055	0.40	December 1, 2023
102,703	0.45	December 21, 2023
251,851	0.40	December 21, 2023
3,459,919	0.25	December 15, 2024
3,156,498	0.25	December 22, 2024
9,585,000	0.18	December 22, 2024
4,500,000	0.18	January 30, 2025
26,294,838		

(in Canadian dollars)

9. Common shares and warrants – Cont'd

Broker warrants issued and outstanding

Changes in broker warrants were as follows:

	March 31, 2023		December 31, 2022	
	Number of broker warrants	**Weighted Average Exercise Price**	Number of broker warrants	Weighted Average Exercise Price
Balance, beginning of period	**1,737,170**	**$0.32**	661,263	$0.44
Issued (2)(3)(4)	**35,000**	**0.25**	1,110,557	0.25
Exercised (1)	**(17,500)**	**0.25**	-	-
Expired	**-**	**-**	(34,650)	0.35
Balance, end of period	**1,754,670**	**$0.32**	1,737,170	$0.32

(1) On March 16, 2023, the Company received $4,375 following the exercise of 17,500 broker warrants at $0.25 each.

(2) On January 30, 2023, the Company issued 35,000 broker warrants as part of the private placements on that day. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. The fair value of these options was $1,223 based on the Black-Scholes option pricing model and based on the following assumptions: risk-free rate of 3.74%, life of 2 years, expected volatility of 87.2% and no expected dividends.

(3) On December 22, 2022, the Company issued 875,019 broker warrants as part of the private placements on that day. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. The fair value of these options was $27,605 based on the Black-Scholes option pricing model and based on the following assumptions: risk-free rate of 3.82%, life of 2 years, expected volatility of 90% and no expected dividends.

(4) On December 15, 2022, the Company issued 235,538 broker warrants as part of the private placements on that day. Each warrant entitles its holder to purchase one common share of the Company at $0.25 for a 24-month period. The fair value of these options was $8,036 based on the Black-Scholes option pricing model and based on the following assumptions: risk-free rate of 3.68%, life of 2 years, expected volatility of 90% and no expected dividends.

At March 31, 2023, the following exercisable broker warrants were outstanding:

Broker warrants	**Price**	**Expiry**
56,000	0.40	December 1, 2023
570,613	0.45	December 1, 2023
235,538	0.25	December 15, 2024
840,019	0.25	December 22, 2024
35,000	0.25	March 16, 2023
1,737,170		

(in Canadian dollars)

9. Common shares and warrants – Cont'd

Share-based compensation

A summary of the status of the Company's stock option plan as of March 31, 2023 is as follows:

	March 31, 2023		December 31, 2022	
	Number of options	**Weighted Average Exercise Price**	Number of options	Weighted Average Exercise Price
Balance, beginning of period	**4,405,000**	**$0.23**	2,530,000	$0.23
Issued (1)(2)(3)	**2,830,000**	**0.10**	2,000,000	0.25
Expired unexercised	**-**	**-**	(125,000)	0.425
Balance, end of period	**7,235,000**	**$0.18**	4,405,000	$0.23

(1) On February 14, 2023, the Company granted 2,830,000 stock options to directors, officers and consultants at an exercise price of $0.10 per common share expiring February 14, 2028. The fair value of these options was $230,572 based on the Black-Scholes option pricing model all vesting immediately and based on the following assumptions: risk-free rate of 3.39%, life of 5 years, expected volatility of 93.2% and no expected dividends.

(2) On March 21, 2022, the Company granted 100,000 stock options to a consultant at an exercise price of $0.21 per common share expiring March 21, 2024. The fair value of these options was $8,463 based on the Black-Scholes option pricing model all vesting immediately and based on the following assumptions: risk-free rate of 2.03%, life of 2 years, expected volatility of 79.4% and no expected dividends.

(3) On January 7, 2022, the Company granted 1,900,000 stock options to directors and officers at an exercise price of $0.25 per common share expiring January 7, 2027. The fair value of these options was $311,924 based on the Black-Scholes option pricing model all vesting immediately and based on the following assumptions: risk-free rate of 1.25%, life of 5 years, expected volatility of 82.5% and no expected dividends.

At March 31, 2023, the following exercisable stock options were outstanding:

Options	**Exercisable**	**Price**	**Expiry**
100,000	100,000	0.21	March 21, 2024
625,000	625,000	0.11	July 4, 2024
200,000	200,000	0.13	July 8, 2024
1,380,000	1,380,000	0.26	July 10, 2025
200,000	200,000	0.40	August 24, 2025
1,900,000	1,900,000	0.25	January 7, 2027
2,830,000	2,830,000	0.10	February 14, 2028
7,235,000	7,235,000		

(in Canadian dollars)

10. Exploration and evaluation activities

The Company incurred the following evaluation and evaluation expenses for the three-month period ended:

	March 31, 2023	March 31, 2022
	$	**$**
Fees related to the grant of options on mining project	**64,861**	-
Drilling	**670,611**	1,227,773
Airbone geophysics	**12,700**	87,615
Soil sampling and analysis	**-**	2,412
Trenching	**10,173**	-
Choice of area and review of previous data	**-**	9,230
Geology and prospection	**50,000**	1,399
General exploration expenses	**12,138**	13,679
Analysis	**231,608**	72,226
Geophysical survey	**-**	60,396
Interpretation of geochemical, geophysical, geological surveys, modeling	**8,610**	15,255
Cash proceeds from the grant of options on Bellechasse property	**-**	(400,000)
Advance on exploration and evaluation activities	**-**	50,000
	1,060,701	**1,139,985**

Bellechasse Property

In March 2022, Delta received the final payment of $400,000 from Yorkton Ventures for the sale of the Bellechasse-Timmins. Delta retains a 1% NSR.

Delta-2 / R-14 Property

On October 17, 2019, the Company announced the signing of an exclusive agreement to acquire a 100% interest in the Delta-2 / R-14 Gold Property in the Chibougamau Mining District of Quebec.

The terms of the agreement are as follows:

Anniversary Date	Cash Payment	Share Payment	Work Commitment
On signing	$0	1,000,000 (already issued)	n.a.
12 months	$25,000 (already paid)	800,000 (already issued)	$0
24 months	$50,000 (already paid)	800,000 (already issued)	$300,000 (condition fulfilled)
36 months	$100,000 (already paid)	700,000 (already issued)	$700,000 (condition fulfilled)

- The vendor holds a 2.0% NSR Royalty on the claims (except on the 41 legacy claims listed below). Delta may buy back 1.0% at any time for $1,000,000.

(in Canadian dollars)

10. Exploration and evaluation activities – Cont'd

Delta-2 / R-14 Property – Cont'd

- 41 legacy claims are subject to a 1.5% NSR Royalty. Delta has the option to purchase 0.75% of this NSR for $500,000.

In February 2020, Delta has acquired 14 new claims contiguous to the Delta-2 / R-14 property, covering approximately 880 hectares. The terms of the agreement with Multi-Resources Boreal include a one-time payment of $5,000.00 and the issuance of 50,000 shares for a 100% interest in the claims. Delta also grants a 2% NSR to Multi-Resources Boreal with an option for Delta to buy back a 1% NSR at any time for $1,000,000.

On May 20, 2020, Delta announced the addition, through staking, of an additional 30 claims, covering 1,669 hectares.

The property now consists of 332 (2022 - 362) contiguous mining claims covering a total area of 17,712.12 (2022 – 19,288.50) hectares.

Delta-1 / Eureka Property

On October 3, 2019 the Company announced the signing of an exclusive agreement to acquire a 100% interest in the new Eureka gold Discovery in the Thunder Bay Mining District of Ontario.

The terms of the agreement are as follows:

<table>
<tr><th>Anniversary Date</th><th>Cash Payment</th><th>Share Payment</th><th>Work Commitment</th></tr>
<tr><td>On signing</td><td>$25,000
(already paid)</td><td>500,000
(already issued)</td><td>n.a.</td></tr>
<tr><td>12 months</td><td>$25,000
(already paid)</td><td>500,000
(already issued)</td><td>$200,000
(condition fulfilled)</td></tr>
<tr><td>24 months</td><td>$50,000
(already paid)</td><td>$50,000*
(167,281 shares already issued)</td><td>$500,000
(condition fulfilled)</td></tr>
<tr><td>36 months</td><td>$75,000
(already paid)</td><td>$50,000*
(500,000 shares already issued)</td><td rowspan="2">$1,000,000
(condition fulfilled)</td></tr>
<tr><td>48 months</td><td>$150,000
(already paid)</td><td>n.a.</td></tr>
</table>

*Amount payable in shares to a maximum of 500,000 shares

- The vendor holds a 1.75% NSR Royalty on the claims. Delta may buy back the first 0.75% at any time for seven years after the effective date of the agreement for $500,000 and the remaining 1% Royalty at any time after the first 0.75% is purchased for $4,000,000.

- Five legacy claims of the property are also subject to NSR Royalties ranging from 0.5% to 1% from an underlying agreement. Delta has the option to purchase 50% of this NSR for the sum of $50,000.

- The agreement also includes advanced royalty payments starting 7 years after the effective date of the agreement.

(in Canadian dollars)

10. Exploration and evaluation activities – Cont'd

Delta-1 / Eureka Property – Cont'd

In December 2019, the Company signed an agreement with the Ontario Exploration Corporation (**the "OEC"**) to buy back a NSR of up to 1% on its Eureka property in the Thunder Bay District, Ontario. Under the terms of the agreement, Delta now has the exclusive right to purchase 50% of the OEC NSR at Eureka by paying the OEC the sum of $50,000 payable as follows:

- Payment of $15,000 before December 31, 2019 (already paid);
- Payment of $35,000 before May 31st, 2021 (already paid).

Once Delta exercises its right to buyback the first 50% of the OEC NSR, Delta shall have the right to purchase the second 50% tranche at any time by paying the OEC an additional $50,000. Following the purchase of the second 50% tranche, Delta will have purchased the entire NSR Royalty currently owned by the OEC on the Eureka Property.

The OEC currently owns between 0.5% and 1.0% NSR royalty on certain claims of the Eureka property. More specifically, the OEC owns a 1.0% NSR on the claims covering the Eureka Gold prospect, Matawin and Kaspar gold occurrences and a 0.5% NSR on the claims surrounding the Kaspar occurrence.

In July 2021, the Company announced the acquisition of a 100% interest in eight claims (30 Units) in Blackewell, Laurie, Dawson Road Lots and Goldie Townships in Thunder Bay, Ontario and contiguous to the Delta-1 - Eureka property. The Parties have agreed that Delta make a one-time $6,000 payment (already paid) and the issue 200,000 common shares (already issued) of Delta to the Vendor for a 100% interest in the claims free and clear of encumbrances. The Vendor retains a 1.5% NSR royalty on the Property. Delta retains the right to buy back 0.5% of the NSR at any time for $400,000 and retains a Right of First Refusal on the remaining 1% NSR royalty.

In April 2022, the Company has been accepted to participate in the second Ontario Junior Exploration Program intake for a maximum contribution of $200,000 towards the costs of the Delta-1 / Eureka project to be incurred between April 1, 2022 and February 15, 2023. As of March 31, 2023, the Company incurred $200,000 of costs admissible to this program and recorded against Exploration and evaluation expenditures a government assistance of $200,000 of which $200,000 was received as of March 31, 2023.

The property now consists of 282 (2022 – 245) contiguous unpatented mining claims covering a total area of 5,830 (2022 - 4,495) hectares and also counts the Gravel Ridge properties which is contiguous or adjacent to the Delta-1 project in Ontario.

Dollier Property

In May 2021, the Company has optioned the Dollier Property in Chibougamau, Québec from Cartier Resources Inc. ("Cartier"). Delta shall have the sole and exclusive right to earn a 100% Interest.

The terms of the agreement are as follows:

Anniversary Date	Cash Payment	Share Payment	Work Commitment
On signing	$10,000 (already paid)	100,000 (already issued)	n.a.
12 months	n.a.	100,000 (already issued)	n.a.
24 months	n.a.	200,000	n.a.
36 months	n.a.	200,000	n.a.
48 months	n.a.	n.a.	$1,000,000

10. Exploration and evaluation activities – Cont'd

Dollier Property – Cont'd

Upon earning a 100% interest in the Dollier Property, Cartier will be granted a 2% NSR production royalty. Delta will have the exclusive right to purchase the first 1% NSR for $2,000,000 and the second 1% NSR for $15,000,000.

Bylund Property

In August 2022, the Company has acquired the exclusive rights to buy the surface and mining rights to a property adjacent to its Delta-1 property in Thunder Bay, Ontario. The 85-hectare Bylund property is contiguous with the Delta-1 property, immediately east of the Eureka Gold.

Delta entered into a five-year lease agreement with the surface and mining rights landowners. During the five-year lease period, Delta will have the exclusive right to explore the property and to purchase a 100% interest in both the surface and mining rights to the property. Should Delta elect to purchase the land, it will pay land market value times 10. Delta made a one-time cash payment of $60,000 (already paid) to the landowners. There are no work commitments nor were any shares of the Company issued. Should Delta elect to purchase the property during the five-year period, the landowners will retain a 2% NSR royalty of which Delta can elect to buy back 1% at any time for the sum of $1,000,000.

Beaucage Property

In November 2022, the Company has acquired the exclusive rights to buy the surface and mining rights to a property adjacent to its Delta-1 property in Thunder Bay, Ontario. The 32-hectare Beaucage property is contiguous with the Delta-1 property, immediately east of the Eureka Gold.

Delta entered into a five-year lease agreement with the surface and mining rights landowners. During the five-year lease period, Delta will have the exclusive right to explore the property and to purchase a 100% interest in both the surface and mining rights to the property. Should Delta elect to purchase the property, it will pay market value times ten (10). Delta made a one-time cash payment of $40,000 (already paid) to the landowners and will also issue 100,000 (already issued) shares of the Company per year for 5 years, starting upon the signing of the Agreement.

Ojala Property

In November 2022, the Company has acquired the exclusive rights to buy the surface and mining rights to a property adjacent to its Delta-1 property in Thunder Bay, Ontario. The 67-hectare property is contiguous with the Delta-1 property, securing Delta's land position on strike with the Eureka Gold Prospect for a strike length of 4.2 kilometres.

Delta entered into a five-year lease agreement with the surface and mining rights landowners. During the five-year lease period, Delta will have the exclusive right to explore the property and to purchase a 100% interest in both the surface and mining rights to the property. Should Delta elect to purchase the property, it will pay market value times 10. Delta made a one-time cash payment of $45,000 (already paid) to the landowners to cover the five-year lease. There are no work commitments nor were any shares of the company issued. Should Delta elect to purchase the property during the five-year period, the landowners will retain a 2% NSR royalty of which Delta can elect to buy back 1% at any time for the sum of $1,000,000.

Maxwell Property

In January 2023, the Company has acquired one patent (surface and mining rights) covering 47 hectares contiguous to Delta-1.

Delta entered into a five-year lease agreement with the surface and mining rights landowners. During the five-year lease period, Delta will have the exclusive right to explore the property and to purchase a 100% interest in both the surface and mining rights to the property. Should Delta elect to purchase the property, it will pay market value times 10. Delta made a one-time cash payment of $60,000 (already paid) to the landowners to cover the five-year lease. There are no work commitments nor were any shares of the Company issued. Should Delta elect to purchase the property during the five-year period, the landowners will retain a 2% NSR royalty of which Delta can elect to buy back 1% at anytime for the sum of $1,000,000.

(in Canadian dollars)

11. Complementary information related to cash flows

Net change in non-cash operating working capital items:

	March 31, 2023 $	March 31, 2022 $
Sales tax receivable	**(73,579)**	(112,984)
Prepaid expenses	**(5,723)**	(70,387)
Other receivable	**151,296**	21,000
Accounts payable and accrued liabilities	**203,649**	470,377
	275,643	(308,006)

Items not affecting cash:

	March 31, 2023 $	March 31, 2022 $
Share issue costs	**1,223**	-

12. Related party transactions

The following table reflects the remuneration of key management and directors of the Company:

	March 31, 2023 $	March 31, 2022 $
General and administrative expenses (1)	**27,692**	14,539
Management fees (2)	**15,000**	15,000
Professional fees (3)	**15,968**	14,781
Exploration and evaluation expenditures (1)	**6,236**	15,742
Share-based payments	**187,391**	279,090
	252,287	339,152

(1) During the three-month period ended March 31, 2023, a total of $33,928 (2022- $30,281) was paid to André C. Tessier, President and Chief Executive Officer of the Company. That total included (i) $ 27,692 (2022 - $14,539) as general and administrative expenses, (ii) $6,236 (2022 - $15,742) for exploration and evaluation expenditures of the Company. In relation with these transactions no amount was payable as at March 31, 2022 and 2021

(2) During the three-month period ended March 31, 2023, the Company incurred management fees in the amount of $15,000 (2022 - $15,000), with 9132-8757 Québec Inc., a company owned by Frank Candido, Chairman of the board of directors and Vice-President of Corporate Communications of the Company. In relation with these transactions no amount was payable as at March 31, 2023 and 2022.

12. Related party transactions – Cont'd

(3) During the three-month period ended March 31, 2023, the Company incurred professional fees in the amount of $15,968 (2022 - $14,781), with Nathalie Laurin, the Chief Financial Officer of the Company. In relation with these transactions $15,726 was payable as at March 31, 2022 (2022 – $2,226).

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

13. Contingent liabilities

The Company's operations are governed by governmental laws and regulations regarding environmental protection Environmental consequences are difficult to identify, in terms of level, impact or deadline. At the present time and to the best knowledge of its management, the Company is in compliance with the laws and regulations. Any additional payment to liability already recorded that result from restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at that time.

14. Commitments

In January 2021, the Company extended a lease contract for its Chibougamau office, starting January 1, 2022 and expiring in December 31, 2022. Minimum payments, totaling $22,500, were solely comprised of payments to be made in 2022.

Under rules established by the ministère de l'Énergie et Ressources naturelles of the province of Québec, the Company already spend the amount required to maintain the claims on its properties in 2023.

15. Capital management

The Company defines capital as equity amounting to $1,882,846 as at March 31, 2023 ($2,582,685 as at December 31, 2022).

The Company's objectives when managing capital are to:

- ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans;
- maintain financial capacity and access to capital to support future development of the business while taking into consideration current and future industry, market and economic risks and conditions; and
- utilize short term funding sources to manage its working capital requirements.

The Company has no externally imposed restrictions on capital. There were no significant changes in the Company's approach to capital management during the year ended December 31, 2022.

(in Canadian dollars)

16. Loss per share

(a) *Basic loss per share*
Basic loss per share is computed by dividing net loss for a period by the weighted average number of common shares outstanding during that period.

(b) *Diluted loss per share*
Diluted loss per share is computed by dividing net loss for a period by the diluted number of common shares. Diluted common shares includes the effects of instruments, such share options and warrants, which could cause the number of common shares outstanding to increase.

The Company reported a net loss for the years ended December 31, 2022 and 2021; the Company has accordingly presented basic and diluted loss per share, which are the same, on a single line in the statements of loss and comprehensive loss. Diluted loss per share did not include the effect of share purchase options and warrants as they were anti-dilutive.

17. Financial instruments

a) Credit risk is the risk that another party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company is exposed to credit risk with respect to cash and other receivable. The carrying amount of these financial instruments represent the Company's maximum exposure to credit risk. Cash are composed of deposits with Canadian financial institutions.

b) Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

	Carrying amount	Contractual cashflows	0 to 12 months
	$	$	$
Accounts payable and accrued liabilities	737,165	737,165	737,165
Long-term debt	30,000	30,000	30,000

c) The fair value of cash, other receivable, accounts payables and accrued liabilities approximates their carrying value due to their short-term nature. The fair value of the long-term debt is determined on the basis of discounted cash flow using the rate applicable at the date of the statement of financial position for a given instrument. The rate is similar to the rate applicable to the long-term debt instruments. The fair value of the long-term debt approximates its book value.

18. Subsequent events

On April 4, 2023, the Company granted 550,000 stock options to consultants. The options are exercisable at $0.41 for 5 years from the date of the grant and vest immediately.

18. Subsequent events – Cont'd

On April 18, 2023, the Company announced that it has accelerated the completion of an Option Agreement dated October 2, 2019 to acquire a 100% undivided interest in the Eureka Property. Delta paid $150,000 to complete the acquisition in the 245 claims.

On May 4, 2023, Delta announces that it has acquired eight additional claims, the Tremblay Property, near its Delta-1 property in Thunder Bay, Ontario. Delta will issue 80,000 shares to earn a 100% interest in the claims. The vendor retains a 2% NSR of which Delta can elect to buy back 1% at any time for the sum of $1,000,000.

On May 17, 2023 the Company completed a "bought deal" private placement of 7,143,000 "flow-through" units at a price of $0.63 per flow-through unit, for gross proceeds of $4,500,090; and 12,222,400 units at a price of $0.45 per unit for gross proceeds of $5,500,080, for aggregate gross proceeds to the Company of $10,000,170.

Between April and May 26, 2023, the Company received $61,163 following the exercise of 244,650 brokers warrants at a price of $0.25 each.

Between April and May 26, 2023, the Company received $184,733 following the exercise of 878,930 warrants at a price between $0.18 and $0.25 each.

In May 2022, the Company issued 200,000 common shares of the Company under the Option Agreement related to the Dollier Property.