BEDFORD METALS CORP.
(FORMERLY ACADEMY METALS INC.)
Interim Financial Statements

For the nine months ended December 31, 2022

(Unaudited - Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited interim financial statements of Bedford Metals Corp. (formerly Academy Metals Inc.) (the “Company”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

BEDFORD METALS CORP. (formerly ACADEMY METALS INC.)

Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	December 31 2022	March 31 2022
ASSETS		
Current assets		
Cash	$ 339	$ 9,023
GST receivable	7,398	4,271
	7,737	13,294
Exploration and evaluation assets (note 4)	672,052	675,574
	$ 679,789	$ 688,868
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 6 & 8)	$ 81,808	$ 39,933
	81,808	39,933
Notes payable (note 7)	1,172,918	1,492,550
Convertible debenture (note 7)	373,654	-
	1,628,380	1,532,483
SHAREHOLDERS' DEFICIENCY		
Share capital (note 5)	10,563,811	10,489,989
Reserves (note 5)	709,307	709,307
Deficit	(12,221,709)	(12,042,911)
	(948,591)	(843,615)
	$ 679,789	$ 688,868

Going concern (note 1)
Subsequent events (note 11)

Approved on behalf of the Board:

Director *"Peter Born"*
Peter Born

Director *"Richard Ko"*
Richard Ko

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

BEDFORD METALS CORP. (formerly ACADEMY METALS INC.)

Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Three months ended December 31		Nine months ended December 31	
	2022	**2021**	**2022**	**2021**
EXPENSES				
Consulting and management fees (note 8)	$ 1,000	$ 6,900	$ 1,500	$ 20,700
Office and general	(40)	4,558	9,231	13,136
Professional fees	22,611	595	36,435	10,391
Regulatory and filing fees	6,104	768	20,595	12,701
Share-based compensation (note 5)	-	-	17,553	32,029
Loss from operations	(29,675)	(12,821)	(85,314)	(88,957)
Other item				
Interest expense (notes 6 & 7)	(27,881)	(15,745)	(93,484)	(47,004)
Net and comprehensive loss	$ (57,556)	$ (28,566)	$ (178,798)	$ (135,961)
Basic and diluted loss per share	$ (0.03)	$ (0.02)	$ (0.09)	$ (0.07)
Weighted average number of common shares outstanding	1,958,073	1,850,079	1,915,266	1,845,243

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

BEDFORD METALS CORP. (formerly ACADEMY METALS INC.)

Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share capital	Reserves	Deficit	Total
Balance at March 31, 2021	1,780,079	$ 10,398,460	$ 709,307	$ (11,865,969)	$ (758,202)
Share-based payments (Note 5)	-	-	32,029	-	32,029
Stock options exercised (Note 5)	70,000	91,529	(32,029)	-	59,500
Net loss	-	-	-	(135,961)	(135,961)
Balance at December 31, 2021	1,850,079	$ 10,489,989	$ 709,307	$ (12,001,930)	$ (802,634)
Balance at March 31, 2022	1,850,079	$ 10,489,989	$ 709,307	$ (12,042,911)	$ (843,615)
Adjustment on share consolidation	(6)	-	-	-	-
Share premium on convertible debentures (note 7)	-	36,829	-	-	36,829
Share-based payments (note 5)	-	-	17,553	-	17,553
Stock options exercised (note 5)	108,000	36,993	(17,553)	-	19,440
Net loss	-	-	-	(178,798)	(178,798)
Balance at December 31, 2022	1,958,073	$ 10,563,811	$ 709,307	$ (12,221,709)	$ (948,591)

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

BEDFORD METALS CORP. (formerly ACADEMY METALS INC.)

Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Nine months ended December 31	
Cash provided by (used for):	**2022**	**2021**
Operating activities		
Net loss	$ (178,798)	$ (135,961)
Adjustments for non-cash items:		
Interest	93,484	47,004
Share-based compensation	17,553	32,029
Working capital adjustments:		
GST receivable	(3,127)	(1,909)
Accounts payable and accrued liabilities	(6,758)	9,051
Net cash flows used in operating activities	(77,646)	(49,786)
Investing activities		
Additions to exploration and evaluation assets	3,522	-
Net cash flows used in investing activities	3,522	-
Financing activities		
Loan advances	46,000	5,000
Loan repayments	-	(52,000)
Exercise of options	19,440	59,500
Net cash flows from financing activities	65,440	12,500
Change in cash	(8,684)	(37,286)
Cash, beginning of period	9,023	21,995
Cash, end of period	$ 339	$ (15,291)
Supplemental cash flow information:		
Interest and income taxes paid	$ -	$ -

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

1. Nature and continuance of operations

Bedford Metals Corp. (formerly Academy Metals Inc.) ("Bedford" or the "Company") is in the business of acquiring, exploring and developing mineral exploration properties. The Company is currently in the exploration stage of developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. On October 26, 2022, the Company changed its name to Bedford Metals Corp. and its stock symbol to "BFM". Its shares are listed on the TSX Venture Exchange ("TSX-V"). On June 24, 2021, the Company completed a share consolidation at a ratio of one new, post-consolidated share, for every ten old, pre-consolidated shares. All share amounts in these financial statements are reflected on a post-consolidated basis.

The Company's head office, principal address and registered and records office is 2200 – 885 West Georgia Street, Vancouver, B.C., V6C 3E8.

These interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2022, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. The Company has incurred operating losses since inception and at December 31, 2022, had a cumulative deficit of $12,221,709. These uncertainties cast significant doubt about the Company's ability to continue as a going concern.

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months from proceeds of private placements of its common shares.

These interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

These financial statements were authorized for issue on February 1, 2022 by the directors of the Company.

2. Basis of presentation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended March 31, 2022, which have been prepared in accordance with IFRS.

These interim financial statements have been prepared on the historical cost basis, except for financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

(Unaudited - Expressed in Canadian Dollars)

3. Significant accounting policies

Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the interim financial statements:

- the determination that the Company will continue as a going concern for the next year.
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable.

Accounting standards, interpretations and amendments issued but not yet effective

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

4. Exploration and evaluation assets

A summary of the Company's exploration and evaluation assets is shown below:

December 31, 2022	Hewitt Point Project	Enid Project	Margurete Gold	Other	Total
Acquisition Costs					
Balance, March 31, 2022	$ 1,294	$ 384,268	$ 290,000	$ 12	$ 675,574
Additions	-	-	-	-	-
Acquisition costs, December 31, 2022	1,294	384,268	290,000	12	675,574
Exploration Costs					
Balance, March 31, 2022	-	(3,522)	-	-	(3,522)
Exploration costs, December 31, 2022	-	(3,522)	-	-	(3,522)
Balance, December 31, 2022	$ 1,294	$ 380,746	$ 290,000	$ 12	$ 672,052

March 31, 2022	Hewitt Point Project	Enid Project	Margurete Gold	Other	Total
Acquisition Costs					
Balance, March 31, 2021	$ 1,294	$ 300,000	$ -	$ 4	$ 301,298
Additions	-	-	290,000	-	290,000
Acquisition costs, March 31, 2022	1,294	300,000	290,000	4	591,298
Exploration Costs					
Balance, March 31, 2021	-	84,268	-	8	84,276
Exploration costs, March 31, 2022	-	84,268	-	8	84,276
Balance, March 31, 2022	$ 1,294	$ 384,268	$ 290,000	$ 12	$ 675,574

4. Exploration and evaluation assets (cont'd)

Margurete Gold Property (British Columbia, Canada)

On September 5, 2017, the Company entered into an agreement to earn 100% interest in certain mineral claims, referred to as the "Margurete Gold Property" by paying the following:

- $50,000 in cash (of which $30,000 paid and $20,000 accrued in fiscal year 2018);
- A further $90,000 in 18 months;
- A further $200,000 in 36 months;
- The Company must complete $300,000 exploration expenditures within 5 years of the signing of the agreement.

The purchaser has the right to accelerate any of the payments completed under this agreement.

A 1% GORR has been granted to the vendor, of which ½% can be purchased by the Company for $1,000,000.

On June 6, 2018, the Company amended its Option Agreement for the Margurete Property, originally dated September 5, 2017. Under the amended terms, the previous GORR will be replaced with an NSR ("Net Smelter Return"). The arms-length Vendor shall retain a 1% NSR, with a buyback provision 0.5% to the Company for $1,000,000.

On August 7, 2019, the Company announced that it had received a default notice from the vendor with respect to an option agreement entered into by the Company in connection with the acquisition of Margurete Gold Property.

During the year ended March 31, 2021, the Company was unable to renegotiate the terms of the option agreement and recorded an impairment of $158,738 to write off all the accumulated costs.

On March 20, 2022, the Company amended the consideration of its Option Agreement as follows:

- $50,000 upon the signing of this amended Option Agreement (of which unpaid amount of $20,000 converted into a non-interest loan);
- A further $90,000 on or before March 5, 2018 (converted into a non-interest loan);
- A further $200,000 on or before September 5, 2020 (converted into a non-interest loan);
- A further $250,000 on or before March 20, 2024; and
- The Company must complete $200,000 exploration expenditures on or before March 20, 2024.

All other terms and conditions of the Option Agreement shall remain in full force and effect. On March 25, 2022, these non-interest bearing loans were acquired by and transferred to a creditor who subsequently entered into a long term debt agreement with the Company (see Note 7).

Hewitt Point Project (British Columbia, Canada)

On March 5, 2019, the Company staked an additional 530 hectares of minerals claims in the Philips Arm Gold Camp. These additional claims are known as the Hewitt Point Project and expand the Margurete Gold Project.

Enid Project (British Columbia, Canada)

On April 8, 2019, the Company acquired an additional 739 hectares of mineral claims in the Phillips Arm Gold Camp known as the Enid Project which adjoins the Company's Margurete Gold Project. The additional claims comprising the Enid Project were purchased from an arm's length vendor for a one-time cash payment of $300,000. In connection with the acquisition, the Vendor retained a 2.0% net smelter returns royalty, and one-half of the royalty may be purchased for a cash payment of $1,000,000.

5. Share capital

Authorized share capital

Unlimited number of common shares without par value

Issued

At December 31, 2022 there were 1,958,073 (March 31, 2022 – 1,850,073) issued and outstanding common shares.

On July 18, 2022, the Company issued 108,000 common shares pursuant to the exercise of incentive stock options at $0.18 per share for cash proceeds of $19,440. An amount of $17,553 was transferred from reserves to share capital upon exercise of these options.

During the year ended March 31, 2022, the Company issued 70,000 common shares pursuant to the exercise of incentive stock options at $0.85 per share for cash proceeds of $59,500. An amount of $32,029 was transferred from reserves to share capital upon exercise of these options.

On June 24, 2021, the Company completed a share consolidation at a ratio of one new, post-consolidated share, for every ten old, pre-consolidated shares. All share amounts in these financial statements are reflected on a post-consolidated basis.

Share-based payment reserve

Share-based payment reserve records the fair value of warrants and options issued for services until such time that the options and warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Stock options

The Company has a Stock Option Plan (the "Plan"), which follows the policies of the TSX-V regarding stock option awards granted to employees, directors and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan.

On July 6, 2022, the Company granted 108,000 stock options to consultants of the Company, which are exercisable at $0.18 for a period of five years expiring on July 6, 2027. The options vested immediately. The estimated fair value of $17,553, $0.1625 a share, has been expensed during the period. It was calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk-free interest rate of 3.06%, expected life of 5 years, no annual dividend, and expected volatility of 145%.

On April 13, 2021, the Company granted 70,000 stock options to consultants of the Company, which are exercisable at $0.85 and expire on April 13, 2022. The options vested immediately. The estimated fair value of $32,029, $0.458 a share, has been expensed during the year. It was calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk-free interest rate of 0.28%, expected life of 1 year, no annual dividend, and expected volatility of 147%.

(Unaudited - Expressed in Canadian Dollars)

5. Share capital (cont'd)

Stock options (cont'd)

A summary of stock option activity for the nine months ended December 31, 2022 and the year ended March 31, 2022 is presented below:

	Nine months ended December 31 2022		Year ended March 31 2022	
	Number of Warrants	**Weighted average exercise price**	**Number of Warrants**	**Weighted average exercise price**
Outstanding - beginning of period	-	$ -	-	$ -
Granted	108,000	0.18	70,000	0.85
Exercised	(108,000)	0.18	(70,000)	0.85
Outstanding - end of period	-	$ -	-	$ -

Warrants

As at December 31, 2022 and March 31, 2022, the Company had no share purchase warrants outstanding.

6. Accounts payable and accrued liabilities

	December 31 2022	**March 31 2022**
Trade and interest payable	$ 35,808	$ 32,258
Accrued liabilities	-	7,675
Advances payable[1]	46,000	-
	$ 81,808	$ 39,933

[1] These advances represent funds advanced by investors who are assisting in implementing the Company's business plan. Receipt of these advances is providing the working capital for the Company to prepare its financial statements and to fulfill other regulatory obligations. The loans bear interest at 10% per annum and mature no later than March 31, 2025. As at December 31, 2022, $2,633 in accrued interest was included in trade and interest payable.

7. Notes payable and Convertible Debenture

As at March 31, 2021, the Company had loans payable totaling $863,875 which were unsecured and carried interest between 5% and 10% per annum. These loans were due on demand and required to be repaid upon the next round of financing completed by the Company.

On March 30, 2022, the Company reached debt settlement agreements with certain creditors of the Company in which $498,986 of payables and $810,875 of loans plus accrued interest of $182,689 were settled in exchange for $1,492,550 in promissory notes. These promissory notes bear interest between 5% and 10% per annum, the principal and the accrued interest mature no later than March 31, 2025. As at December 31, 2022, $53,750 (March 31, 2022 - $Nil) in accrued interest was included in notes payable.

(Unaudited - Expressed in Canadian Dollars)

7. Notes payable and Convertible Debenture (cont'd)

On December 30, 2022, a note in the amount of $410,482, composed of funds previously advanced to the Company along with accrued interest, was settled through the issuance of a debenture and 3,569,410 detachable warrants. The debenture matures on December 30, 2027 and bears interest at a rate of 8% per annum, payable on maturity. Each warrant is exercisable at a price of $0.115 until December 30, 2027. The principal amount of the debenture, $410,482, is convertible into common shares of the Company, at the option of the holder, at a rate of one conversion share for every $0.115 of outstanding indebtedness.

Using a risk adjusted discount rate of 12%, the equity portion was determined to be $36,829 and was recognized as the equity portion of convertible debenture on the Statement of Financial Position.

	Liability Component	Equity Component
Balance, April 1, 2022	$ -	$ -
Convertible debentures issued	373,653	36,829
Accretion and interest	-	-
Balance, December 31, 2022	$ 373,653	$ 36,829

8. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these financial statements are listed below.

During the nine months ended December 31, 2022 (and 2021), the Company:

a) Incurred consulting fees of $1,500 (2021 - $4,500) to directors of the Company.
b) Incurred geological consulting fees of $Nil (2021 - $13,500) to a company controlled by the CEO of the Company.
c) Incurred accounting fees of $Nil (2021 - $2,700) to the CFO of the Company.
d) The Company recognized interest expense of $Nil (2021 - $3,306) for loans received from directors and a former director. See note 7.

The Company had the following transactions with key management personnel:

	Nine Months Ended	
	December 31, 2022	**December 31, 2021**
Consulting and management fees	$ 1,500	$ 20,700
Total	$ 1,500	$ 20,700

9. Capital management

The Company manages its capital structure, consisting of working and share capital, and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The exploration and evaluation assets in which the Company currently has interests are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for on-going general and administrative expenses, the Company will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. The

Company will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the nine months ended December 31, 2022.

10. Financial instruments and risk management

Financial instruments

Fair value
As at December 31, 2022, the Company's financial instruments consisted of cash, accounts payable and accrued liabilities, notes payable and convertible debenture. The fair values of cash, accounts payable and accrued liabilities approximate their carrying values. Notes payable and convertible debenture require assessing the appropriate market interest rates on the liabilities. The fair value of the notes payable and convertible debenture approximates their carrying value as the agreements were entered into with non-arms' length parties.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices which are observable for the asset or liability either directly or indirectly;
Level 3: Inputs that are not based on observable market data

Risk management

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk on its GST receivable is minimal since it is recoverable from the Canadian government.

10. Financial instruments and risk management (cont'd)

Foreign currency risk
Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company only operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to interest rate risk relates to its ability to incur interest expense on loan payable balances at fixed rates. The risk is minimal.

Liquidity risk
To manage liquidity risk, the Company plans to hold cash sufficient to meet its financial obligations as they fall due. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at December 31, 2022, the Company has a working capital deficiency of $74,071 and requires additional cash to fund operating and exploration activities. Liquidity risk is assessed as high.

11. Subsequent events

On January 6, 2023, the Company completed a private placement of unsecured convertible debentures ("Debentures") in the principal amount of $617,000 and 4,502,000 equity units ("Equity Units") at $0.085 per unit for additional gross proceeds of $382,670.

The Debentures mature on January 6, 2028 and bear interest at a rate of 8% per annum payable on maturity. The debenture holders also received 5,364,815 detachable common share purchase warrants. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.115 until January 6, 2028. The principal amount of the Debentures is convertible into common shares of the Company, at the option of the holder, at a rate of one common share for every $0.115 of outstanding indebtedness.

Each Equity Unit consists of one common share and one share purchase warrant. Each share purchase warrant will be exercisable at a price of $0.115 and has an expiry date of January 6, 2028.

No value has been assigned to the warrants issued in this private placement.