

Gitennes E_xploration Inc.

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Gitennes Exploration Inc.

Opinion

We have audited the financial statements of Gitennes Exploration Inc. (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the years then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Management discussion and analysis but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Rhéal Brunet, CPA auditor.

Brunet Roy Dubé, CPA S.E.N.C.R.L.¹

Montreal,
April 29, 2024

¹CPA auditor, public accountancy permit No. A108047

Gitennes Exploration Inc.

Statements of financial position

As at December 31

Canadian Funds

ASSETS	2023	2022
Current		
Cash (Note 12)	\$ 90,691	\$ 86,436
Accounts receivable	28,381	119,459
Prepaid expenses	688	2,413
Reclamation Bonds	25,500	25,500
	<u>145,260</u>	<u>233,808</u>
Non-current		
Marketable securities in mining exploration company (Note 5)	126,250	11,250
	<u>\$ 271,510</u>	<u>245,058</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 471,095	\$ 215,801
Restoration provisions (Note 13)	10,000	-
Deferred flow-through premium liability (Note 6a)	9,122	-
	<u>490,217</u>	<u>215,801</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 6a)	37,404,071	37,140,271
Contributed Surplus	2,418,215	2,409,033
Other comprehensive loss	(86,250)	(1,250)
Deficit	<u>(39,954,743)</u>	<u>(39,518,797)</u>
	<u>(218,707)</u>	<u>29,257</u>
	<u>\$ 271,510</u>	<u>\$ 245,058</u>

Nature of Operations and Going Concern (Note 1)

Subsequent Event (Note 14)

ON BEHALF OF THE BOARD:

_____, Director
 "Ken Booth"
 Ken Booth

_____, Director
 "Stuart Ross"
 Stuart Ross

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

Gitennes Exploration Inc.

Statements of loss and Comprehensive Loss

For the Years Ended December 31

Canadian Funds

	2023	2022
Expenses		
Accounting and audit (Note 8)	\$ 88,100	\$ 103,389
Consulting	-	44,555
Depreciation	-	1,995
Exploration and evaluation (Notes 7 and 8)	390,661	443,990
Legal	14,250	16,375
Management fees (Note 8)	30,000	30,000
Office and miscellaneous	37,049	27,554
Promotion and public relations	-	71,875
Share-based compensation (Note 6c)	5,804	17,521
Shareholder information	1,983	5,887
Stock exchange and filing fees	16,402	8,882
Transfer agent	6,719	5,894
Part 12.6 tax	344	-
Travel	2,124	563
Loss before Other Items and Income Taxes	593,436	778,480
Other Items:		
Compensation and contribution agreement	72,510	-
Loss on disposal of marketable securities	20,000	-
Gain on disposal of mining property	(250,000)	-
Interest income	-	(546)
Management properties revenues	-	(87,618)
Loss before Income Taxes	435,946	690,316
Deferred income tax recovery (Notes 6a and 11)	-	(107,298)
Loss for the Year	\$ 435,946	\$ 583,018
Other comprehensive loss:		
Unrealized loss on marketable securities	85,000	1,250
Loss and Comprehensive Loss for the Year	520,946	584,268
Loss per Share – Basic and Diluted	\$ 0.01	\$ 0.01
Weighted-Average Number of Shares Outstanding	60,739,897	56,069,155

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

Gitennes Exploration Inc.
Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2023 and 2022
Canadian Funds

	Share Capital (Note 6a)	Contributed Surplus	Other comprehensive loss	Deficit	Total
Balance – December 31, 2021	\$ 37,137,271	\$ 2,391,512	\$ -	\$ (38,935,779)	\$ 593,004
Shares issued for mining properties	3,000	-	-	-	3,000
Share-based compensation (Note 6c)	-	17,521	-	-	17,521
Loss for the year	-	-	-	(583,018)	(583,018)
Other comprehensive loss	-	-	(1,250)	-	(1,250)
Balance – December 31, 2022	\$ 37,140,271	\$ 2,409,033	\$ (1,250)	\$ (39,518,797)	\$ 29,257
Private placement – flow-through units	46,622	3,378	-	-	50,000
Flow-through premium	(9,122)	-	-	-	(9,122)
Shares issued for mining properties	230,000	-	-	-	230,000
Share-based compensation (Note 6 c)	-	5,804	-	-	5,804
Share issuance costs	(4,750)	-	-	-	(4,750)
Shares to be issued for share issuance costs	1,050	-	-	-	1,050
Loss for the year	-	-	-	(435,946)	(435,946)
Other comprehensive loss	-	-	(85,000)	-	(85,000)
Balance – December 31, 2023	\$ 37,404,071	\$ 2,418,215	\$ (86,250)	\$ (39,954,743)	\$ (218,707)

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

Gitennes Exploration Inc.
Statements of Cash Flows
For the Years Ended December 31
Canadian Funds

	2023	2022
Cash Flows from Operating Activities		
Loss for the year	\$ (435,946)	\$ (583,018)
Items not involving cash		
Deferred income tax recovery	-	(107,298)
Marketable securities in mining exploration company	-	(12,500)
Shares issued for properties	230,000	3,000
Share-based compensation	5,804	17,521
Depreciation	-	1,995
Loss on disposal of marketable securities	20,000	-
Gain on disposal of mining property	(250,000)	-
Changes in non-cash working capital items		
Accounts receivable	91,078	72,973
Prepaid expenses	1,725	6,350
Accounts payable and accrued liabilities	255,294	27,449
Restoration provisions	10,000	-
	<u>(72,045)</u>	<u>(573,528)</u>
Cash Flows from Investing Activity		
Proceeds from disposal of Marketable securities	<u>30,000</u>	-
	30,000	-
Cash Flows from Financing Activities		
Share capital issued	50,000	-
Share issuance costs	<u>(3,700)</u>	-
	46,300	-
Change in Cash Position	4,255	(573,528)
Cash Position - Beginning of Year	<u>86,436</u>	<u>659,964</u>
Cash Position - End of Year	\$ 90,691	\$ 86,436

Supplemental Schedule of Non-Cash Investing and Financing Transactions

Flow-through premium liability	\$ 9,122	\$ -
Unrealized gain (loss) on marketable securities	(85,000)	-
Shares to be issued for share insurance cost	1,050	-
Warrants issued on Flow-through placement	3,378	-

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

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

1. Nature of Operations and Going Concern

Gitennes Exploration Inc. ("the Company") is incorporated in the province of British Columbia with its principal office located at 410 – 325 Howe Street, Vancouver, British Columbia. The Company is currently exploring one property in northern British Columbia, four properties in northern Quebec, and has a royalty interest in a property located in Peru. All of these properties are in the exploration stage and it has not yet been determined whether they contain mineral reserves.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. Several adverse conditions and material uncertainties cast significant doubt upon the going concern assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that future exploration and development of its properties will result in profitable mining operations or royalty payments to the Company. The Company has no ongoing source of operating revenue and will require cash to maintain its mineral interests and to meet its administrative overhead. As at December 31, 2023, the Company had negative working capital of (\$ 344,957) (2022 - \$ 18,007) and an accumulated deficit of (\$ 39,954,743) (2022 - \$ 39,518,797). For the year ended December 31, 2023, cash used for operating activities was \$ 72,045 (2022 - \$ 573,528).

The ability of the Company to continue as a going concern is dependent upon its ability to realize on its assets or raise additional financing to complete the development of its mineral properties and to fund future corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

These financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Material Accounting Policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's board of directors approved these financial statements for issue on April 29, 2024.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

2. Material Accounting Policies (continued)

Basis of measurement

These financial statements have been prepared under the historical cost convention except in respect of items measured at fair value.

Foreign currency translation

The Company considers its functional currency to be the Canadian dollar. Transactions in currencies other than the functional currency are recorded at rates approximating those in effect at the time of the transactions. Monetary items are translated at the exchange rate in effect at the balance sheet date and non-monetary items are translated at historical exchange rates. Translation gains and losses are reflected in income (loss) for the year.

Adoption of new and revised standards and interpretations

New and revised standards that are effective.

IAS 1 – Presentation of Financial Statement

This standard has been revised to incorporate amendment issued by IASB in February 2021 to require entity to disclose material accounting policies information rather than significant account policies. The retrospective application of these amendments had no impact on the Company's loss or financial position.

IAS 8 – Definition of Accounting Estimates - Amendments

This standard Accounting Policies, Changes in Accounting Estimates and Errors has been revised to incorporate amendments issued by the IASB in February 2021. The amendments introduce a definitions of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. The retrospective application of these amendments had no impact on the Company's loss or financial position.

Future changes in accounting policies

At the date of authorization of these annual financial statements, new standards and interpretations of existing standards and new amendments have been issued, but are not yet effective, and the Company has not adopted them early. Management expects that all pronouncements, not yet effective, will be adopted in the Company's accounting policies during the first financial year beginning after the effective date of each pronouncement. New standards and interpretations have been published but are not expected to have a material impact on the financial statements of the Company.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

2. Material Accounting Policies (continued)

Future changes in accounting policies (continued)

IAS 1 – Presentation of Financial Statements

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

Current material accounting policies

Management Properties Revenues

The Company is occasionally mandated to manage exploration work. If income earned from the management of the Company's properties in an option agreement, the amount is recorded as other income. These revenues are recognized when there is persuasive evidence that an arrangement exists, the services have been received by the optionee, the price is fixed or determinable, and collection is reasonably assured.

Cash

Cash comprises cash balances held in current operating bank accounts that are subject to an insignificant risk of change in nominal value.

Fund to be spent on exploration under tax restrictions through flow-through placements are included on cash. Cash for exploration of \$ 50,000 (2022 - \$ nil) represents unspent funds from flow-through placements.

Exploration and evaluation

The Company is currently in the exploration stage. Exploration and evaluation expenditures include the cost of acquiring licenses, option payments, and expenditures incurred to explore and evaluate properties and such costs are expensed in the period incurred. Property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale, except for those costs associated with the acquisition of exploration and evaluation assets through a business combination. Development costs relating to specific properties are capitalized once management has made a development decision.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

2. Material Accounting Policies (continued)

Exploration and evaluation (continued)

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to options being exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not accrued. Option payments are recorded as exploration and evaluation expenses or recoveries when the payments are made or received.

Government assistance that is based on incurring eligible mineral exploration expenditures is recorded in profit and loss in the period that reasonable assurance of the receipt of such assistance is received.

Share-based compensation

The Company uses the fair value method whereby it recognizes share-based compensation costs over the vesting periods for all stock option grants and direct awards of stock. Any consideration paid by the option holders to purchase shares is credited to capital stock. The Company uses the Black-Scholes Option-Pricing Model to estimate the fair value of its share-based compensation. The fair value of each grant is measured at the grant date and where vesting is not immediate, each tranche is recognized on a graded-vesting basis over the vesting period. It is recognized as an expense, with a corresponding increase in contributed surplus.

Share capital

The proceeds from the exercise of stock options or warrants together with fair value amounts previously recorded on the grant date or issue date are recorded as share capital. Share capital issued for non-monetary consideration is recorded at the fair value of the non-monetary consideration received, or at the fair value of the shares issued if the fair value of the non-monetary consideration cannot be measured reliably, on the date of issue. The Company uses the residual value approach in respect of unit offerings, whereby the amount assigned to the warrant is the excess of the unit price over the trading price of the Company's shares at the date of issuance.

Costs related to issuing shares or unit offerings are reported as a deduction of the proceeds from the issue.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

2. Material Accounting Policies (continued)

Flow-through shares

The Company will from time to time issue flow-through common shares to finance a portion of its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon completing the qualifying expenditures, the Company derecognizes the liability to the extent the qualifying resource expenditures have been made as of that date and recognizes a deferred tax recovery for the amount of the tax reduction that will be renounced to the shareholders. The Company uses the residual value approach in respect of the flow-through shares issuance, whereby the amount assigned to the flow-through share premium is the excess of the share price over the trading price of the Company's share at the date of issuance. Almost, when a flow-through unit (flow-through share and warrant) are issued the Company uses the residual value approach. This residual amount assigned is then allocated between the warrant and the deferred flow-through premium liability using the relative fair value method. The Company uses the Black-Scholes Option-Pricing Model to calculate the fair value of the warrant issued and to calculate the fair value of the deferred flow-through premium liability the Company takes the issuance price for a flow-through unit and multiply it by the Company statutory tax rate.

Income taxes

Current tax expense is calculated using income tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is accounted for using the liability method, which recognizes differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recorded.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability will be settled or the asset realized, based on income tax rates and income tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in the period that the substantive enactment occurs. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Loss per share

Loss per share is computed using the weighted-average number of common shares outstanding during the year. The Company uses the treasury stock method to calculate diluted earnings per share, which assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The effect on loss per share of outstanding convertible securities is anti-dilutive.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

2. Material Accounting Policies (continued)

Financial instruments

The Company classifies its financial instruments in accordance with IFRS 9 – *Financial Instruments*, based on the Company's business model for managing its financial instruments, which includes the purpose for which the financial instruments were acquired as well as their contractual cash flow characteristics. Financial instruments are classified under three primary measurement categories: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL").

Determination of the classification of financial instruments is made at initial recognition and reclassifications are made only upon the Company changing its business model for managing its financial instruments. Financial assets are derecognized when they mature or are sold, and substantially all of the risks and rewards of ownership have been transferred. Equity instruments that are held for trading are classified as FVTPL. Other equity instruments are carried at FVTPL unless upon initial recognition the Company makes an irrevocable election to designate them as FVTOCI.

Financial assets

FVTOCI

Investments in equity instruments classified as FVTOCI are initially recognized at fair value plus transaction costs. Unrealized gains and losses arising from changes in fair value are recognized in other comprehensive income with no subsequent reclassification to profit or loss upon derecognition. Realized gains and losses recognized upon derecognition remain within accumulated other comprehensive income. The Company classifies its marketable securities in company in this category.

Amortized cost

A financial asset is measured at amortized cost if the objective of the Company's business model is to hold the instrument for the collection of contractual cash flows, which are comprised solely of payments of principal and interest. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. Impairment losses are included in profit or loss in the period the impairment is recognized. The Company classifies cash and accounts receivable in this category.

Financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL. The Company classifies accounts payable and accrued liabilities in this category.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

2. Material Accounting Policies (continued)

Financial instruments (continued)

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Company transfers contractual rights to receive the cash flows of the financial asset in a transaction where substantially all the risks and rewards of ownership of the financial asset have been transferred or in a transaction where the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but does not retain control of the asset. Any rights and obligations created or retained in the transfer by the Company are recognized as separate assets or liabilities.

Financial liabilities

The Company derecognizes a financial liability when the obligation specified in the contract is discharged or cancelled or expires. The Company also derecognizes a financial liability when there is a substantial modification of the terms of an existing financial liability or a part of it. In this situation, a new financial liability under the new terms is recognized at fair value, and the difference between the carrying amount of the financial liability or a part of the financial liability extinguished and the new financial liability under the new terms is recognized in profit or loss.

Impairment

Financial assets are reviewed at the end of each reporting period for objective evidence indicating that changes in the market, economic, or legal environment has had a negative effect on the estimated future cash flows of the asset or group of assets. The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

3. Main sources of estimation uncertainty and critical judgments by management

The preparation of financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amount of assets and liabilities, and disclosures of contingent assets and liabilities as at the date of the financial statements, and the carrying amount of revenues and expenses for the reporting period. These estimates are changed periodically, and as adjustments become necessary, they are reported in profit or loss in the period in which they become known.

Going concern

The Company is a going concern and will continue in operation for the foreseeable future and at least one year. The factors considered by management are disclosed in Note 1.

Fair value

All financial instruments are required to be recognized at fair value on initial recognition. Subsequent measurement of these instruments is at amortized cost or at fair value depending on their classification.

Fair value is the amount of consideration that would be agreed upon in an arm's-length transaction, between knowledgeable, willing parties who are under no compulsion to act. This is a point-in-time measurement that may be changed in subsequent reporting periods due to market conditions or other factors.

Fair value of a financial instrument is determined by reference to quoted prices in the most advantageous active market to which the Company has immediate access. In the absence of an active market, fair value is determined on the basis of internal or external valuation models, including discounted cash flow models. Fair value determined using these valuation models, requires the use of assumptions concerning the amount and timing of estimated future cash flows as well as the number of variables. In determining these assumptions, external readily observable market inputs are considered, as applicable, otherwise the Company uses the best possible estimate.

Restoration provisions

A provision for field rehabilitation liability is recognized for the present value of restoration costs to be incurred. The estimate could differ depending on factors changes including nature of damage, equipment, workforce and days period. Several of these factors are sources of estimation uncertainty.

Valuation of warrants and share-based compensation

The Company uses the Black-Scholes Option-Pricing Model for valuation of warrants and share-based compensation. Option-pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

4. Financial Instruments, Fair value and Risk Management

The Company's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, all of which are measured at amortized cost. The carrying values approximate their fair values due to the short-term nature of these instruments.

In addition, the Company had a financial assets measured at fair value, marketable securities, based on Level 1: quoted prices (unadjusted) in active market for Identical assets and on Level 2: using inputs other than quoted prices included within Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The Company is exposed to various financial risks in respect of its financial instruments as detailed below. The Company's policies and processes of managing all risks associated with its financial instruments have not changed during the current year.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's primary credit risk is associated with its cash and accounts receivable.

The Company's cash is held in accounts at a major Canadian financial institution with an investment grade rating. Accounts receivable consist of GST and QST recoverable from the governments of Canada and Quebec and management fees recoverable from a quoted exploration mining company. Management considers the credit risk associated with this balance to be low.

The carrying value totalling \$ 119,072 (2022 - \$ 205,895) of the financial assets recorded in these financial statements represents the Company's maximum exposure to credit risk as at December 31, 2023.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

4. Financial Instruments and Risk Management (continued)

Liquidity Risk

The Company is subject to liquidity risk, through its accounts payable and accrued liabilities, such that it may not be able to meet its obligations under its financial instruments as they fall due. The Company manages this risk by maintaining cash balances to ensure that it is able to meet its short and long-term obligations as and when they fall due. Cash projections are regularly updated to reflect the dynamic nature of the business.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is exposed to other price risk through its marketable securities in shares for which the value fluctuates with the market price.

5. Marketable securities in mining exploration company

	<u>2023</u>	<u>2022</u>
	\$	\$
MARKETABLE SECURITIES		
Newfoundland Discovery (quoted) Corp. – 250,000 common shares (250,000 as at December 31, 2022) cost of \$ 12,500, representing 0.3% of common shares.	6,250	11,250
Canadian Gold Resources Ltd. (unquoted) – 800,000 common shares (nil as at December 31, 2022) cost of \$ 200,000, representing 4% of common shares.	120,000	-
	<u>126,250</u>	<u>11,250</u>

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

6. Share Capital

The authorized share capital of the company consists of an unlimited number of common shares without par value.

a) Issued and outstanding

	Shares	Amount
Balance – December 31, 2021	56,027,122	\$ 37,137,271
Shares issued for New Mosher property (Note 7)	150,000	3,000
Balance – December 31, 2022	56,177,122	\$ 37,140,271
Shares issued for flow-through units	2,500,000	46,622
Flow-through premium	-	(9,122)
Shares issued for mining properties	9,800,000	230,000
Share issuance cost	-	(4,750)
Shares to be issued for share issuance cost	70,000	1,050
Balance – December 31, 2023	68,547,122	37,404,071
Issued list in 2023		
Shares issued for Sept-Iles property (Note 7)	9,500,000	222,500
Shares issued for Blue Ice property (Note 7)	150,000	4,500
Shares issued for New Mosher property (Note 7)	150,000	3,000
	9,800,000	230,000

In December 2023, the Company completed a private placement by issuing 2,500,000 flow-through units at a price of \$0.02 per unit for gross proceeds of \$ 50,000. Each flow-through unit consisted of one common flow-through share and one-half of one non-flow-through share purchase warrant entitling the holder to purchase on additional common share at a price of \$ 0.05 per share for a period of two years.

The fair value of these warrants \$ 3,378 decrease the share capital amount and recognize in the contributed surplus.

The related finder's fees on this financing are \$ 3,500, 70,000 common shares and 70,000 warrants. Shares and warrants are to be issued as at December 31, 2023. Common shares are value at \$ 1,050. The fair value of these warrants is Nil. A flow-through share premium liability of \$ 9,122 was accounted.

Notes to Financial Statements**December 31, 2023 and 2022***Canadian Funds***6. Share Capital (continued)****a) Issued and outstanding (continued)**

Deferred flow-through premium liability

	2023	2022
Balance, beginning of year	\$ -	\$ 107,298
Premium value of flow-through shares issuance	9,122	-
Fulfillment of the commitment related to flow-through placements, derecognized in deferred income tax recovery	-	(107,298)
Balance, end of year	\$ 9,122	\$ -

b) Stock options

The Company has a rolling stock option plan under which the Company may grant options to its directors, employees, and other service providers for up to 10% of the outstanding common shares. The board of directors determines the exercise price per share and the vesting period under the plan, subject to TSX Venture Exchange policy. Details of stock option activities are as follows:

	Number	Weighted Average Exercise Price
Balance – December 31, 2021	3,780,000	\$ 0.16
Granted	500,000	\$ 0.05
Expired	(250,000)	\$ 0.61
Balance – December 31, 2022	4,030,000	\$ 0.12
Granted	200,000	\$ 0.05
Expired	(355,000)	\$ 0.23
Balance – December 31, 2023	3,875,000	\$ 0.10

In February 2023, the Company granted 200,000 incentive stock options to a consultant. Each option is exercisable at \$ 0.05 per share and has a term of two years.

As at December 31, 2023, the Company had stock options outstanding entitling the holders to purchase common shares of the Company as follows:

Number	Exercise Price	Expiry Date
200,000	\$ 0.05	February 6, 2025
1,675,000	\$ 0.165	October 14, 2025
100,000	\$ 0.115	March 4, 2026
1,400,000	\$ 0.05	December 16, 2026
500,000	\$ 0.05	February 2, 2027
3,875,000		

As at December 31, 2023, the outstanding options had a weighted-average remaining life of 2.40 years; 3,875,000 outstanding options with a weighed-average exercise price of \$ 0.10 had vested and were exercisable.

Notes to Financial Statements**December 31, 2023 and 2022***Canadian Funds***6. Share Capital (continued)****c) Share-based compensation**

The Company granted stock options to its directors, officers, employees, and service providers and estimated related share-based compensation as follows:

	2023	2022
	200,000	500,000
Total options granted		
Weighted-average exercise price	\$ 0.05	\$ 0.05
Estimated fair value of compensation	\$ 5,804	\$ 17,521
Estimated fair value per option	\$ 0.03	\$ 0.04

The fair value of the related share-based compensation recognized in the accounts has been estimated using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions:

	2023	2022
Risk-free interest rate	3.94%	1.65%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	110%	110%
Expected forfeiture rate	0.00%	0.00%
Expected option life in years	2.0	5.0
Stock price at granted date	0.05	0.045

The volatility assumption is based on an analysis of historical volatility over a period equivalent to the life of stock options.

During 2023, 200,000 (2022 – 500,000) options vested and the Company recognized \$ 5,804 (2022 - \$ 17,521) in share-based compensation.

Notes to Financial Statements**December 31, 2023 and 2022***Canadian Funds***6. Share Capital (continued)****d) Warrants**

Details of share purchase warrant activities are as follows:

	Number	Weighted average exercise price
Balance – December 31, 2021	28,720,540	\$ 0.16
Expired	(18,179,620)	\$ 0.18
Balance – December 31, 2022	10,540,920	\$ 0.13
Issued	10,820,000	\$ 0.14
Expired	(10,540,920)	\$ 0.13
Balance – December 31, 2023	10,820,000	\$ 0.14
Issued list	Number	Amount
Warrants issued for Sept-Iles property (Note 7)	9,500,000	-
Warrants issued for flow-through units (Note 6 a)	1,250,000	3,378
Warrants to be issued for units issuance cost (Note 6 a)	70,000	-
	10,820,000	3,378

As at December 31, 2023, the Company had share purchase warrants outstanding entitling the holders to purchase common shares of the Company as follows:

Number	Exercise Price	Expiry
1,250,000	\$ 0.05	December 2025
70,000	\$ 0.05	December 2025
8,000,000	\$ 0.15	June 2026
1,500,000	\$ 0.15	December 2028
10,820,000		

During the year, the Company issued share purchase warrants and estimated related fair value as follows:

	2023	2022
Warrants granted in flow-through units	1,250,000	-
Weighted-average exercise price	\$ 0.05	\$ -
Estimated fair value	\$ 3,378	\$ -
Estimated fair value per warrant	\$ 0.0027	\$ -

Notes to Financial Statements**December 31, 2023 and 2022***Canadian Funds***6. Share Capital (continued)****d) Warrants (continued)**

The fair value of the warrants recognized in the accounts has been estimated using the Black-Scholes Options Pricing Model with the following weighted-average assumptions:

	2023	2022
Risk-free interest rate	3.92%	-
Expected dividend yield	0.00%	-
Expected stock price volatility	105%	-
Expected forfeiture rate	0.00%	-
Expected option life in years	2.0	-
Stock price at granted date	0.015	-

The volatility assumption is based on an analysis of historical volatility over a period equivalent to the life of the warrants.

7. Exploration and Evaluation

Details of the Company's mineral interests are as follows:

Snowbird, British Columbia, Canada

In February 2017, the Company entered into an option agreement granting it the right to earn a 100% interest in the Snowbird property located near Fort St. James, British Columbia. The Company earned its interest by issuing shares to the optionor and completing minimum exploration expenditures as follows:

	Shares	Expenditures
Upon regulatory approval	600,000	\$ -
On or before September 30, 2018	200,000	500,000
On or before September 30, 2019	200,000	-
On or before December 31, 2019	-	500,000
On or before September 30, 2020	200,000	-
On or before September 30, 2021 (i)	-	500,000
	1,200,000	\$ 1,500,000

(i) A portion of these expenditures were completed by a third party optionee as detailed below.

During 2020, the Company issued 200,000 shares with a fair value of \$ 28,000 to the optionors and 17,500 shares with a fair value of \$ 2,450 to the finders in respect of the 2020 finder's fee payable; the Company also issued 17,500 shares with a fair value of \$ 2,450 in respect of the 2019 finder's fee payable. The option agreement provides for a 2% net smelter returns royalty ("NSR") that, upon payment of royalty payments totalling \$ 1,300,000, reverts to an uncapped 1% NSR.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

7. Exploration and Evaluation (continued)

Snowbird, British Columbia, Canada (continued)

In February 2021, the Company signed an option agreement on the Snowbird project providing the optionee with the right to acquire a 100% interest in the Company's underlying option agreement with the original owners of the Snowbird property. The optionee is a private company and is currently seeking a listing on a Canadian stock exchange. Upon signing the agreement, the optionee paid the Company \$ 25,000 and issued special warrants entitling the Company to receive that number of shares in the optionee with a value of \$ 2.2 million, based on a 10-day volume-weighted average trading price of the optionee's shares. Since the optionee did not obtain a listing of its shares by February 4, 2022, the Company maintains contact with the optionee and will decide when to claim the 22 million shares of the optionee. In addition, the optionee must incur \$ 500,000 in exploration expenditures on the property by June 30, 2021 (incurred) and a total of \$ 1,500,000 in expenditures by June 30, 2022 (incurred). The optionee owns a 100% interest subject to the NSR due to the original owners, and the Company will cease to have any direct interest in the Snowbird project. As at December 31, 2023, the optionee is still a private company and has no plan to go public, consequently the Company has deferred exercising the special warrants.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

7. Exploration and Evaluation (continued)

Urumalqui, Peru

In December 2014, AndeanGold Ltd. earned a 100% interest in the Company's Urumalqui project situated in north-central Peru. The Company retained an uncapped NSR of 1.5% on all metals produced at Urumalqui, with no buy-out or other provisions attached. The Company also holds 663,000 common shares of Andean with a fair value of \$ nil, which are carried at nominal value.

New Mosher, Quebec, Canada

In June 2020, the Company entered into an option agreement granting it the right to earn up to an 85% interest in the New Mosher property located in the James Bay region of northern Quebec. To earn a 70% interest, the Company, at its option, must issue shares and incur exploration expenditures as follows:

	Shares	Expenditures
Upon regulatory approval (<i>issued</i>)	150,000	\$ -
On or before September 30, 2021 (<i>issued / incurred</i>)	150,000	150,000
On or before September 30, 2022 (<i>issued / incurred</i>)	150,000	250,000
On or before September 30, 2023 (<i>issued / incurred</i>)	150,000	300,000
On or before September 30, 2024 (<i>i</i>)	400,000	300,000
	<u>1,000,000</u>	<u>\$ 1,000,000</u>

(i) Expenditures have been incurred; shares have not been issued.

During the year 2023, the Company issued 150,000 shares (2022 - 150,000 shares) with a fair value of \$ 3,000 (2022 - \$ 3,000) to the optionor. As at December 31, 2023, the Company had incurred approximately \$ 1,544,000 in exploration expenditures on the project.

Upon earning a 70% interest, the Company can elect to increase its interest in the property to 85% either by producing an inferred resource or completing a preliminary economic assessment ("PEA") within 12 months of making such election. The Company will pay the optionor \$ 250,000 in cash or shares, at the Company's option, upon producing an inferred resource or \$ 750,000 in cash upon delivering a PEA. The property is subject to a 1.5% NSR, which can be reduced to 0.5% upon payment of \$ 1,000,000 to the optionor. Upon earning either a 70% or 85% interest, the Company and the optionor will form a joint venture to further develop the property.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

7. Exploration and Evaluation (continued)

JMW, Quebec, Canada

In June 2020, the Company entered into an agreement to purchase a 100% interest in the JMW property located in northern Quebec and a ten-claim property located in the Val-d'Or region of Quebec. In September 2020, the Company paid \$ 25,000 and issued 1,000,000 shares with a fair value of \$ 140,000 to the vendors of the properties. In 2021, the Company issued 75,000 shares (2020 - 87,500 shares) with a fair value of \$ 6,000 (2020 - \$ 12,250) as a finder's fee.

The Company agreed to issue a further 750,000 shares to the vendors after twelve months, subject to an adjustment in the shares issuable to provide a minimum fair value of \$ 75,000 to the vendors. This derivative liability was initially measured at \$ 105,000 and was carried at fair value through profit or loss. The fair value of this instrument as at December 31, 2020 was \$ 75,000 resulting in a gain on change in fair value of \$ 30,000 during 2020. In September 2021, the Company issued 937,500 shares with a fair value of \$ 75,000 to settle this obligation.

The properties are subject to an NSR of 2%, one-half of which can be purchased for \$ 1,000,000. The Company has granted the vendors of the properties a further 1.5% NSR, which can be reduced to 0.5% upon payment of \$ 1,000,000 to the vendors.

In November 2022, the Company signed an agreement to option its property to Newfoundland Discovery Corp. ("Newfoundland"). Newfoundland can initially earn a 70% interest in the property and has the right to earn an additional 15% interest. The terms of the agreement are :

- \$ 5,000 in cash at signature of the agreement
- Issuance of 875,000 common shares over a period of 3 years.
- \$ 1,500,000 of work commitments over a period of 3 years.

Newfoundland can earn an additional 15% interest by completing a 43-101 compliant resource.

On December 31, 2022, Newfoundland advise that they will not be continuing with the option and has returned the property to the Company.

Maxwell, Quebec, Canada

In December 2020, the Company has staked the Maxwell property located in northern Quebec. The property is approximately 18 kilometres northeast of the JMW property.

In November 2022, the Company signed an agreement to option its property to Newfoundland who can initially earn a 70% interest in the property and has the right to earn an additional 15% interest. The terms of the agreement are:

- \$ 5,000 in cash at signature of the agreement
- Issuance of 575,000 common shares over a period of 3 years.
- \$ 1,000,000 of work commitments over a period of 3 years.

Newfoundland can earn an additional 15% interest by completing a 43-101 compliant resource.

On December 31, 2022, Newfoundland advise that they will not be continuing with the option and has returned the property to the Company.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

7. Exploration and Evaluation (continued)

Gaspe, Quebec, Canada

In August 2021, the Company acquired a 100% interest in two gold properties and one copper property in the Gaspe Region of Quebec by issuing 250,000 shares with a fair value of \$ 12,500 to the seller.

On April 28, 2023, the Company concluded a mining claims sales agreement to sell its Gaspe property to Canadian Gold Resources Ltd. ("Canadian Gold") in consideration of 1,000,000 common shares value at unit price of \$ 0.25, totalling \$ 250,000 and a 1% NSR right. In December 2023, the Company sold 200,000 common for \$ 30,000. The transaction and the transfer of the title of properties to Canadian Gold is conditional upon Canadian Gold completing an Initial Public Offering within 14 months of the signature of the sale agreement.

Blue ice, Quebec

On March 1, 2023, the Company announced that it has assembled a land package in Quebec that has known pegmatites and has been historically sampled by the Company with assays returning high grade heavy rare earth elements, niobium and tantalum. The property is located approximately 100 kilometres northeast of Sept-Iles, Quebec. and consists of 119 contiguous claims. Of the 119 claims, the Company has staked and owns 100% of 115 claims and has signed two option agreements to earn 100% of the four additional claims.

On February 10, 2023, the Company signed a first option agreement for three claims is for a consideration of \$ 10,000 in cash at the signing of the agreement, \$ 15,000 when the Company completes a non-flow-through private placement and \$ 50,000 by the second anniversary of the signing of the agreement. The Company issued 50,000 shares and will issue 250,000 shares by the third anniversary of the agreement. Exploration expenditures by the Company will total \$ 600,000 over four years with the first \$ 100,000 is required to be spent within 18 months of the signing of the agreement. A 1.5% NSR will be granted to the vendors. Attributed value to common shares is \$ 1,250.

On February 20, 2023, the Company signed a second option agreement for one claim is for a consideration of \$ 10,000 in cash and the issuance of 100,000 shares. The Company must spend \$ 50,000 on exploration on the claim within 12 months of signing the agreement. A 1.5% NSR is granted to the vendor. Attributed value to common shares is \$ 3,250.

The two option agreements on the property are subject to an NSR of 1.5%, 1% of which can be purchased for \$ 1,000,000.

Sept-Iles, Quebec

On May 23, 2023, the Company concluded a property purchase agreement to acquire a 100% interest in a nickel and rare element properties in the Sept-Iles area of Quebec with arm's length sellers in consideration of 8,000,000 units of the Company. Each unit is comprised of one common share and one warrant of the Company. Each warrant entitles the sellers to acquire one additional common share at an exercise price of \$ 0.15 for a period of thirty-six months. The Company has granted to the sellers a 2% net smelter return royalty ("NSR"). The Company can buyback half of the NSR (1%) for \$ 1 million. Attributed value to common shares is \$ 200,000 and to warrants is \$ Nil.

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

7. Exploration and Evaluation (continued)

On October 16, 2023 the Company concluded a property purchase agreement to acquire a 100 % of eight claims that form a key part of the Company's 100% owned Sept Iles nickel property in consideration of 1,500,000 units of the Company. Each Unit is comprised of one common share and one warrant of the Company. Each warrant entitles the seller to acquire one additional common share at an exercise price of \$ 0.15 for a period of sixty months. The Company has granted to the seller a 2% net smelter return royalty ("NSR"). The Company can buyback of 1% of the NSR at any time for \$ 1 million. Attributed value to common shares is \$ 22,500 and to warrants is Nil.

Title

Ownership of mineral interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral properties and its NSR on the Urumalqui property and, to the best of its knowledge, ownership of these interests is in good standing.

Expenditures

The Company expenses exploration and evaluation costs relating to its mineral property interests in the period incurred. Expenditures for the year and cumulative expenditures as at December 31, 2023 are as follows:

Canada	Expenditures 2023	Expenditures 2022	Cumulative 2023
Snowbird, British Columbia			
Option payments, finder's fees, and staking	\$ -	\$ -	\$ 553,010
Assays	-	-	68,773
Camp and general	-	-	29,578
Consulting	-	-	20,598
Drilling	-	-	505,716
Geological	-	-	237,801
Geophysical	-	-	26,966
Mapping and survey	-	-	22,467
Transportation	-	-	118,886
Restoration	10,000	-	10,000
Option payments received	-	-	(25,000)
Expense recoveries	-	-	(138,795)
	10,000	-	1,430,000
JMW, Quebec			
Acquisition payments and finder's fee	-	-	289,152
Administration	-	-	1,615
Assays	-	-	7,766
Camp and general	8,582	-	8,902
Consulting	10,000	-	10,000
Field supplies	-	-	3,458
Geological	12,500	1,421	88,173
Geophysical	-	-	222,223
Mapping and survey	340	-	3,493
Transportation	-	-	6,865
Option grants received	-	(11,250)	(11,250)
	31,422	(9,829)	630,397
Balances carried forward	\$ 41,422	\$ (9,829)	\$ 2,060,397

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

7. Exploration and Evaluation (continued)

Expenditures (continued)

Canada	Expenditures 2023	Expenditures 2022	Cumulative 2023
Balances brought forward	\$ 41,422	\$ (9,829)	\$ 2,060,397
New Mosher, Quebec			
Option payments	3,000	3,000	34,500
Administration	-	-	85,918
Assays	-	24,381	72,017
Camp and general	-	4,500	66,838
Drilling	-	158,517	534,862
Environmental and permitting	-	-	5,466
Field supplies	-	54,640	89,317
Geological	-	169,254	398,145
Geophysical	-	-	142,211
Mapping and survey	-	-	2,750
Transportation	-	39,186	112,094
	3,000	453,478	1,544,118
Maxwell, Quebec			
Staking	-	-	7,884
Camp and general	7,000	-	7,000
Consulting	10,000	-	10,000
Geological	12,500	-	36,250
Mapping and survey	-	-	560
Transportation	-	-	5,890
Option grants received	-	(11,250)	(11,250)
	29,500	(11,250)	56,334
Gaspe, Quebec			
Acquisition payments	9,893	11,591	39,311
Geological	-	-	21,750
Mapping and survey	-	-	840
Transportation	-	-	6,797
Gain on disposal	(250,000)	-	(250,000)
	(250,107)	11,591	(181,302)
Blue ice, Quebec			
Acquisition payments	37,346	-	37,346
Consulting	10,000	-	10,000
Geological	12,500	-	12,500
	59,846	-	59,846
Sept-Iles, Quebec			
Acquisition payments	222,500	-	222,500
Consulting	10,000	-	10,000
Geological	14,500	-	14,500
	247,000	-	247,000
\$	\$ 140,661	\$ 443,990	\$ 3,786,393

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

8. Related Party Transactions and Key Management Compensation

The Company had transactions with related persons or corporations, which were undertaken in the normal course of operations and were measured at the amounts agreed to by the parties. Key management personnel include executive and non-executive directors and executive officers. The compensation paid or payable to key management is as follows:

		2023		2022
Management fees	\$	30,000	\$	30,000
Accounting		60,000		68,450
Exploration and evaluation		90,000		90,000
	\$	180,000	\$	188,450

In addition, the Company recorded share-based compensation of \$ Nil (2022 - \$ 17,521), which relates to incentive stock options granted to directors and officers. Share-based compensation is a non-cash item calculated using the Black-Scholes Option-Pricing Model with the assumptions detailed in Note 6c.

Accounts payable includes \$ 162,307 (2022 - \$ 93,098) in accrued management, exploration and evaluation fees and accounting fees due to the chief executive officer and the chief financial officer.

9. Capital Risk Management

The Company is in the business of mineral exploration and has no source of operating revenue. The Company manages its capital structure, being its shareholders' equity and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The capital is therefore deficit of \$ 218,707 as at December 31, 2023 compared to surplus of \$ 29,257 as at December 31, 2022, a decrease of \$ 247,964 during the year. The Company typically finances its operations through the issuance of capital stock. Capital raised is held in cash until it is required to pay operating expenses or exploration and evaluation expenditures. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern (*Note 1*), and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the year.

10. Segmented Information

The Company currently operates in only one operating segment, that being the mineral exploration industry. The Company currently has one exploration project in British Columbia, Canada, five projects in Quebec, Canada, and a royalty interest in a property located in Peru.

Notes to Financial Statements**December 31, 2023 and 2022***Canadian Funds***11. Income Taxes**

The Company operated in two tax jurisdictions and was subject to varying rates of taxation. The Company has various non-capital tax losses and deferred exploration expenditures that are available for carry forward to reduce taxable income of future years. Details of income tax expense for the years ended December 31 are as follows:

	2023	2022
Loss before income taxes for accounting purposes	\$ (435,946)	\$ (690,316)
Statutory tax rate	27.00%	27.00%
Expected tax recovery for the year	(117,705)	(186,385)
Non-deductible and other items	23,733	4,864
Unrecognized deferred tax assets	93,972	181,521
Income tax for the year	-	-
Derecognized flow-through premium liability	-	(107,298)
Deferred income tax recovery	\$ -	\$ (107,298)

Deferred income taxes reflect the net effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's deferred income tax assets as at December 31 are as follows:

	2023	2022
Non-capital losses	\$ 634,000	540,000
Mineral property expenditures	1,623,000	2,358,000
Equipment	28,000	28,000
Other	35,000	53,000
Unrecognized deferred income tax assets	\$ 2,320,000	2,979,000

The components of the Company's unrecognized deferred tax assets expire as follows:

	2023	2022
Share issuance costs – deductible 2024-2027	\$ 99,000	\$ 174,000
Non-capital losses – expire 2037 to 2043	2,346,000	1,998,000
Capital losses – no expiry	31,000	21,000
Equipment – no expiry	102,000	102,000
Mineral property expenditures – no expiry	6,010,000	8,735,000
	\$ 8,588,000	\$ 11,030,000

Notes to Financial Statements

December 31, 2023 and 2022

Canadian Funds

12. Commitments and contingencies

During the reporting year, the Company received an amount of \$ 50,000 (2022 - \$ nil) following flow-through placements for which the Company renounced tax deductions to the investors. As at December 31, 2023, the Company has a balance of \$ 50,000 (2022 - \$ nil) of eligible exploration expenses and management is required to fulfill its commitments within the stipulated deadline. However, there is no guarantee that the funds expended by the Company will qualify as Canadian exploration expenses, even if the Company is committed to take all necessary measures to that effect.

Royalties will be paid in the event that a commercial operation starts on Company mineral interests, see detail in Note 7.

13. Restoration provisions

The Company recognizes liabilities for legal or constructive obligations associated with the reclamation or rehabilitation of mineral properties that the Company is required to settle. The Company recognizes the present value of liabilities for such obligations in the period in which they occur or in the period in which a reasonable estimate of such costs can be made. The obligation is recorded as a liability with a corresponding charge to operations. During the reporting year, the Company has estimated at \$ 10,000 the cost to rehabilitate field of a former property and accounted as Exploration and evaluation expense. These field works are required to receive the \$ 25,500 reclamation bonds. The Company estimates that this expense will incur during the year 2024. As at December 31, 2023, the Company has a balance of \$ 10,000 (2022 - \$ nil) of restoration provisions.

14. Subsequent Event

No subsequent event.