NORTH PEAK RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of North Peak Resources Ltd. ("the Company") were prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Management acknowledges responsibility for the preparation and presentation of the annual consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Corporation's circumstances. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Corporation, as of the date of and for the periods presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
North Peak Resources Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of North Peak Resources Ltd. (the Company or NPR), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated 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.

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

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Acquisition of Prospect Mountain Property, Nevada, USA

Description of the matter
As more fully described in Note 5, on May 2, 2023, the Company through its subsidiary, North Peak Nevada Limited, acquired an effective 80% interest in the Prospect Mountain Property (the Property), from Solarljos LLC (Solarljos), by issuing 5,000,000 common shares, 340,000 warrants and making a cash payment of USD$385,000 to Solarljos. Additional cash, common share and minimum exploration expenditures, tied to anniversary dates, are required to maintain the 80% interest. Conversely, if the Company determines, in its sole discretion, not to continue with the Property, Solarljos shall transfer the initial 5,000,000 NPR common shares back to the Company.

The Company also has the right, but not the obligation, to acquire the 20% interest held by Solarljos by making a final payment of 3,000,000 common shares.

Why the matter is a key audit matter
Due to the complexity of the acquisition and relevant IFRS, significant judgement was required to access whether the Company's 80% interest in the Property constituted control, joint control or significant influence over the legal entity holding the underlying mining claims; or rather whether the series of transactions were most appropriately accounted for in accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence.

How the matter was addressed in the audit
The following were the primary procedures we performed to address this key audit matter:

- We reviewed agreements with regards to the transaction and evaluated the substance of the arrangement to assess the correct application of accounting treatment and policies applied by management in accordance with relevant IFRS standards;
- We reviewed management's assessment of the acquisition to determine whether the accounting treatment applied was consistent with relevant IFRS; ultimately, we concurred with management's accounting under IFRS 6, as in substance the acquisition was most reflective of a mineral property option agreement; and;
- We assessed the appropriateness and completeness of the related disclosures in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pat Kenney.

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
April 29, 2024

NORTH PEAK RESOURCES LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at December 31,		**2023**		2022
ASSETS				
Current assets				
Cash	**$**	**5,304,713**	$	8,087,936
Investment		**100,000**		100,000
Prepaid and sundry receivable		**160,239**		120,161
	$	**5,564,952**	$	8,308,097
Equipment		**181,611**		-
Right-of-use assets (note 6)		**73,669**		61,009
Exploration and evaluation assets (notes 5 and 12)		**8,339,169**		95,000
Total assets	**$**	**14,159,401**	$	8,464,106
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (note 12)	**$**	**485,847**	$	128,139
Current portion of lease liability (note 7)		**50,886**		59,586
	$	**536,733**	$	187,725
Non-current portion of lease liability (note 7)		**28,053**		4,686
Total liabilities	**$**	**564,786**	$	192,411
Shareholders' equity				
Share capital (note 8)		**38,182,019**		28,782,135
Shares to be issued (note 5)		**40,355**		-
Contributed surplus (notes 9 and 10)		**15,414,473**		14,142,910
Deficit		**(40,042,232)**		(34,653,350)
Total shareholders' equity		**13,594,615**		8,271,695
Total liabilities and shareholders' equity	**$**	**14,159,401**	$	8,464,106

Nature of Operations (note 1)
Subsequent Events (note 15)

Approved on behalf of the Board of Directors:

/s/ "Brian Hinchcliffe"

Brian Hinchcliffe
Director

/s/ "John Thomson"

John Thomson
Director

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

NORTH PEAK RESOURCES LTD.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the Years Ended December 31,	2023	2022
Expenses		
Contractor fees	$ 25,422	$ 25,017
Travel	276,819	202,991
Office and general (note 12)	1,130,500	767,208
Professional fees (note 12)	255,158	180,794
Marketing	34,865	1,984
Exploration and evaluation expenses (note 13)	3,110,443	2,097,914
Loss on disposition of exploration and evaluation assets	-	679,440
Stock-based compensation (notes 10 and 12)	920,236	658,942
Interest income	(364,562)	(141,842)
Net loss and comprehensive loss for the year	$ (5,388,882)	$ (4,472,448)
Basic and diluted net loss per share (note 11)	$ (0.21)	$ (0.19)
Weighted average number of common shares outstanding, basic and diluted (note 11)	25,881,296	23,179,907

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

NORTH PEAK RESOURCES LTD.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital Number	Share Capital Amount	Shares to be Issued	Contributed Surplus	Deficit	Total
Balance, December 31, 2021	21,334,455	$ 27,674,324	$ -	$ 11,340,951	$ (30,180,902)	$ 8,834,373
Issued on private placement	2,499,996	5,750,000	-	-	-	5,750,000
Costs of issue	-	(249,172)	-	-	-	(249,172)
Warrants issued	-	(2,143,017)	-	2,143,017	-	-
Stock-based compensation	-	-	-	658,942	-	658,942
Shares returned to treasury on termination of property agreement (note 4)	(1,250,000)	(2,250,000)	-	-	-	(2,250,000)
Net loss for the year	-	-	-	-	(4,472,448)	(4,472,448)
Balance, December 31, 2022	**22,584,451**	**28,782,135**	**-**	**14,142,910**	**(34,653,350)**	**8,271,695**
Issued on private placement	2,272,727	2,000,000	-	-	-	2,000,000
Costs of issue	-	(107,571)	-	-	-	(107,571)
Shares issued for exploration and evaluation assets (note 5)	5,000,000	7,250,000	-	-	-	7,250,000
Warrants issued for exploration and evaluation assets (note 5)	-	-	-	472,532	-	472,532
Issued on exercise of stock options	275,000	257,455	40,355	(121,205)	-	176,605
Stock-based compensation	-	-	-	920,236	-	920,236
Net loss for the year	-	-	-	-	(5,388,882)	(5,388,882)
Balance, December 31, 2023	**30,132,178**	**$ 38,182,019**	**$ 40,355**	**$ 15,414,473**	**$ (40,042,232)**	**$ 13,594,615**

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

NORTH PEAK RESOURCES LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the Years Ended December 31,	2023	2022
Operating activities		
Net loss for the year	**$ (5,388,882)**	$ (4,472,448)
Stock-based compensation	**920,236**	658,942
Loss on disposition of exploration and evaluation assets	**-**	679,440
Depreciation of right-of-use assets	**74,468**	51,623
Depreciation of equipment	**28,545**	-
Accretion of lease liability	**9,328**	8,339
Non-cash working capital items:		
Prepaid and sundry receivable	**(40,078)**	(5,260)
Accounts payable and accrued liabilities	**398,063**	(19,556)
	(3,998,320)	(3,098,920)
Investing activities		
Acquisition of equipment	**(210,156)**	-
Proceeds received on disposition of mining claims	**-**	656,950
Property acquisition costs	**(521,637)**	(29,597)
	(731,793)	627,353
Financing activities		
Private placement, net of fees	**1,892,430**	5,500,827
Proceeds received on exercise of options	**136,250**	-
Repayment of lease obligations	**(81,790)**	(56,698)
	1,946,890	5,444,129
Net change in cash	**(2,783,223)**	2,972,562
Cash, beginning of the year	**8,087,936**	5,115,374
Cash, end of the year	**$ 5,304,713**	$ 8,087,936

SUPPLEMENTARY CASH FLOW INFORMATION:

Shares returned to treasury upon termination of property agreement (note 4)	**$ -**	$ 2,250,000
Shares issued on property acquisition (Note 4)	**$ 7,250,000**	$ -

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

1. Nature of Operations

North Peak Resources Ltd. (the "**Company**") was incorporated on March 28, 2011 and organized under the laws of Alberta, Canada.

The Company is a Canadian based gold and silver exploration and development company that is listed on the TSX Venture Exchange (the "**Exchange**") under the symbol "NPR".

In May 2023, (i) the Company entered into an agreement to acquire the Prospect Mountain mine complex ("**Prospect Mountain**") from Solarljos LLC ("**Solarljos**") and Gullsil LLC of Nevada (each controlled by the Erickson family of Nevada) (the "**Acquisition**"), and (ii) the Exchange approved the Acquisition. The mining claims and rights that constitute Prospect Mountain have been transferred into a Nevada LLC, named North Peak Gold LLC. The Company (through its Nevada subsidiary, North Peak (Nevada) Ltd.) acts as operator of Prospect Mountain and holds an initial 80% interest (the "**80% Initial Interest**") in North Peak Gold LLC and Solarljos holds the remaining 20% interest. Solarljos is not required to contribute any funds or assume any liabilities for the benefit of North Peak Gold LLC or in connection with exploration and operations at Prospect Mountain on account of its 20% interest.

In connection with the Acquisition, (i) on August 22, 2023 the Company issued 5,000,000 common shares ("**Common Shares**") to Solarljos, (ii) effective August 25, 2023, Ty Erickson was appointed to the Board of Directors of the Company, and (iii) on November 17, 2027 the Company issued 340,000 Common Share purchase warrants with an exercise price of $1.34 per share and a five-year term, to those persons designated by Solarljos.

The Company has the right to acquire the remaining 20% interest held by Solarljos (the "**Right**") by issuing an additional 3 million Common Shares to Solarljos. The Company will have until mid-November 2026 to exercise the Right. If the Company decides not to exercise the Right within this time period, then the 80% Initial Interest is to be transferred to Solarljos, and Solarljos will in turn return to the Company the 5,000,000 Common Shares that have been issued to it.

Other material terms of the Acquisition include:

- the Company has undertaken to complete a minimum three-year exploration program at Prospect Mountain where expenditures will total no less than US$1 million per year;
- the Company is to make cash payments of US$385,000 in total per year, for each of the first three years following completion of the Acquisition (the Company made the initial US$385,000 ($521,637) payment in 2023);
- Solarljos has been granted a 1% NSR royalty on any mineral production from Prospect Mountain;
- Solarljos has the right to nominate one director to the Board of Directors of the Company, provided that it continues to hold at least 500,000 Common Shares; and
- the Company has the ability to transfer its 80% Initial Interest to Solarljos at any time prior to the exercise of the Right or the deadline to exercise the Right, with the result that its annual obligations described above will cease and the 5,000,000 Common Shares issued to Solarljos will be returned to the Company.

The Company also holds an option (the "**Kenogami Option**") to acquire 100% interest in and to the Kenogami Lake Project located 15 kilometres southwest of Kirkland Lake, Ontario, Canada (the "**Kenogami Property**").

The registered office of the Company is located at 1600, 421 - 7 Avenue SW, Calgary, Alberta T2P 4K9.

2. Material Accounting Policies

Basis of Preparation

These financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and their interpretations adopted by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of the Canadian Institute of Chartered Accountants, as issued and effective for the year ended December 31, 2023. These consolidated financial statements were approved by the Board of Directors on April 26, 2024.

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

Foreign Currency Translation

The functional and presentation currency of the Company is the Canadian dollar. The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the entity operates (its functional currency). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains and losses on translation are included in profit and loss.

Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary North Peak (Nevada) Ltd. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Exploration, Evaluation and Resource Property Acquisition Costs

The Company is in the exploration stage with respect to its investment in resource property costs and accordingly follows the practice of capitalizing significant acquisition costs on active exploration properties and expensing exploration and evaluation expenditures. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of an impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition. The Company recognizes, in income, costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount of the mineral properties.

All capitalized acquisition expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations.

2. Material Accounting Policies (Continued)

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a declining balance basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land typically has an unlimited useful life and is not depreciated.

Depreciation is calculated on a declining balance basis using the following rates:

Vehicle	30%
Equipment	20%

Financial Instruments

Financial Assets

Recognition and Initial Measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and Subsequent Measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of investment and accounts receivable.
- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. The Company does not hold any financial assets measured at fair value through other comprehensive income.
- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. Financial assets mandatorily measured at fair value through profit or loss are comprised of cash.

2. Material Accounting Policies (Continued)

Financial Instruments (Continued)

- Designated at fair value through profit or loss – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. The Company does not hold any financial assets designated to be measured at fair value through profit or loss.

The Company measures all equity investments at fair value. Changes in fair value are recorded in profit or loss. The entity does not hold any equity investments.

Business Model Assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed and information is provided to management. Information considered in this assessment includes stated policies and objectives.

Contractual Cash Flow Assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for accounts receivable. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Derecognition of Financial Assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

2. Material Accounting Policies (Continued)

Financial Instruments (Continued)

Financial Liabilities

Recognition and Initial Measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

Classification and Subsequent Measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Derecognition of Financial Liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Cash

Cash in the consolidated statements of financial position comprise cash at banks. The Company's cash is invested with major financial institutions in business accounts and higher yield investment and savings accounts that are available on demand by the Company for its programs.

Investment

Investment consist of a short term, highly liquid investment that is readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. At December 31, 2023, the Company held General Investment Certificates of $100,000 (2022 - $100,000).

Leases and Right-of-Use Assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company, and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

2. Material Accounting Policies (Continued)

A lease liability is initially measured at the present value of the unpaid lease payments. Subsequently, the Company measures a lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made, and (c) re-measuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Treasury Shares

Repurchase of shares issued (treasury shares) are deducted from equity. No gain or loss is recorded on profit and loss on the repurchase of the entity's own equity instruments (Note 7).

Income Taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. 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 financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Loss Per Share

The Company presents basic and diluted loss per share data for its common shares outstanding, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding to include potential common shares for the assumed conversion of all dilutive securities under the treasury stock method.

2. Material Accounting Policies (Continued)

Share Based Payments

The Company grants share options to acquire common shares of the Company to directors, officers, consultants and employees.

The fair value of the instruments granted is measured using a Black-Scholes model, taking into account the terms and conditions upon which the instruments are granted. The fair value of the awards is adjusted by the estimate of the number of awards that are expected to vest as a result of nonmarket conditions and is expensed over the vesting period using the graded vesting method of amortization. At each balance sheet date, the Company reviews its estimates of the number of options that are expected to vest based on the nonmarket vesting conditions including the impact of the revision to original estimates, if any, with corresponding adjustments to equity.

Provision for Expected Credit Losses ("ECL")

The Company performs impairment testing annually for accounts receivable in accordance with IFRS 9. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognize ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12 - month expected credit losses or 2) lifetime expected credit losses. The Company measures provisions for ECLs at an amount equal to lifetime ECLs. The Company applies the simplified approach to determine ECLs on accounts receivable by using a provision matrix based on historical credit loss experiences. The historical results were used to calculate the run rates of default which were then applied over the expected life of the trade receivables, adjusted for forward looking estimates.

Critical Accounting Estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

<u>Exploration, Evaluation and Resource Property Acquisition Costs</u>

Management reviews the carrying values of exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable. The recoverable amount of cash-generating units for an exploration stage company requires various subjective assumptions. These assumptions may change significantly over time when new information becomes available and may cause original estimates to change. During the year ended December 31, 2023, the Company recorded an impairment charge of $nil (2022 - $2,148,890) prior to entering into agreement to dispose of its Blackhorse Property, as described in note 4.

2. Significant Accounting Policies (Continued)

Stock Based Compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock based compensation in the statements of loss and comprehensive loss based on estimates of forfeiture, risk free interest rates, volatility of the Company's stock, and expected lives of the underlying stock options.

Critical Accounting Judgments

Income Taxes and Recovery of Deferred Tax Assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements. Deferred tax assets require management to assess the likelihood that the Company will generate taxable income in future periods in order to utilize recognized deferred tax assets. As at December 31, 2023, no deferred tax assets were recognized, and management is uncertain when sufficient taxable income will be available to realize the deferred tax assets.

Shares Issued for Non-cash Consideration

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

Functional Currency

The functional currency of the Company and its subsidiary is the Canadian Dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

Accounting Treatment of Prospect Mountain Acquisition

Management exercised judgement in determining the appropriate IFRS to apply in accounting for the Prospect Mountain acquisition. Specifically, an evaluation of IFRS 11, Joint Arrangements, IFRS 10 Consolidated Financial Statements and IAS 28, Investments in Associates and Joint Ventures. Largely due to the optionality of the Prospect Mountain agreement, management determined the acquisition, and ensuing costs, were in scope of IFRS 6, Exploration for and Evaluation of Mineral Resources.

3. Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus and deficit, which at December 31, 2023 totaled $13,594,615 (2022 - $8,271,695). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2023 or 2022.

4. Financial Risk Factors

Financial Risk

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

<u>Credit Risk</u>

Credit risk is the risk of loss associated with a counterparty’s inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and investments. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

<u>Liquidity Risk</u>

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at December 31, 2023, the Company had a cash balance of $5,304,713 (2022 - $8,087,936) to settle current liabilities of $536,733 (2022 - $187,725). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not generate revenue, managing liquidity risk is dependent upon the ability to secure additional financing, controlling expenses, and preserving cash.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

4. Financial Risk Factors (Continued)

Market Risks

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(i) Interest Rate Risk

The Company has cash balances and regularly monitors its cash management policy. As a result, the Company is not subject to significant interest rate risk.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over the next twelve months:

(i) Cash is subject to floating interest rates. Sensitivity to a plus or minus one percentage point change in interest rates would not have a material impact on the reported net loss for the years ended December 31, 2023 or 2022.

(ii) The Company maintains limited cash balances denominated in United States dollars. Sensitivity to a plus or minus one percentage point change in foreign exchange rates would not have a material impact on the reported net loss for the years ended December 31, 2023 or 2022.

5. Exploration and Evaluation Assets

	2023	2022
The Prospect Mountain Property, Nevada, USA		
Balance, beginning of year	$ -	$ -
Acquisition costs	8,244,169	-
Balance, end of year	**$ 8,244,169**	$ -
The Kenogami Property, Ontario, Canada		
Balance, beginning and end of year	**$ 95,000**	$ 95,000
The Black Horse Property, Nevada, USA		
Balance, beginning of year	$ -	$ 3,556,793
Acquisition costs	-	29,597
Impairment charge	-	(2,148,890)
Disposition of project	-	(1,437,500)
Balance, end of year	**$ -**	$ -
Total exploration and evaluation assets, end of year	**$ 8,339,169**	$ 95,000

5. Exploration and Evaluation Assets (Continued)

The Prospect Mountain Property, Nevada, USA

In May 2023, the Company entered into an agreement for the Acquisition and the Exchange approved the Acquisition. The mining claims and rights that constitute Prospect Mountain have been transferred into a Nevada LLC, named North Peak Gold LLC. The Company (through its Nevada subsidiary, North Peak (Nevada) Ltd.) acts as operator and holds the Initial 80% Interest in North Peak Gold LLC and Solarljos holds the remaining 20% interest. Solarljos is not required to contribute any funds or assume any liabilities for the benefit of North Peak Gold LLC or in connection with exploration and operations at Prospect Mountain on account of its 20% interest.

In connection with the Acquisition, (i) on August 22, 2023 the Company issued 5,000,000 Common Shares to Solarljos (ascribed a fair value of $7,250,000), (ii) effective August 25, 2023, Ty Erickson was appointed to the Board of Directors of the Company, and (iii) on November 17, 2023 the Company issued 340,000 Common Share purchase warrants with an exercise price of $1.34 per share (ascribed a fair value of $472,532) and a five-year term, to those persons designated by Solarljos. The resulting fair value of $472,532 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 3.82%, and an expected life of 5 years.

The Company has the Right to acquire the remaining 20% interest held by Solarljos by issuing an additional 3 million Common Shares to Solarljos. The Company will have until mid-November 2026 to exercise the Right. If the Company decides not to exercise the Right within this time period, then the 80% Initial Interest is to be transferred to Solarljos, and Solarljos will in turn return to the Company the 5,000,000 Common Shares that have been issued to it.

Other material terms of the Acquisition include:

- the Company has undertaken to complete a minimum three-year exploration program at Prospect Mountain where expenditures will total no less than US$1 million per year;
- the Company is to make cash payments of US$385,000 in total per year, for each of the first three years following completion of the Acquisition (the Company made the initial US$385,000 ($521,637) payment in 2023);
- Solarljos has been granted a 1% NSR royalty on any mineral production from Prospect Mountain;
- Solarljos has the right to nominate one director to the Board of Directors of the Company, provided that it continues to hold at least 500,000 Common Shares; and
- the Company has the ability to transfer its 80% Initial Interest to Solarljos at any time prior to the exercise of the Right or the deadline to exercise the Right, with the result that its annual obligations described above will cease and the 5,000,000 Common Shares issued to Solarljos will be returned to the Company.

5. Exploration and Evaluation Assets (Continued)

The Kenogami Property, Ontario, Canada

The Company acquired the Kenogami Option in connection with the Company's change of business transaction to become a mining issuer (the "COB Transaction"), which was completed on June 26, 2020. The terms of the Kenogami Option require the Company to make an initial cash payment of $35,000 (paid), and the Company has completed the following other conditions to exercise: (1) issued 25,000 Common Shares (post-consolidation) effective upon issuance of the 43-101 technical report on the Kenogami Property (completed – issued the Common Shares on July 2, 2020, and ascribed a fair value of $19,500); and (2) incurred $100,000 of exploration expenditures on the Kenogami Property and issued an additional 50,000 Common Shares to the optionor (completed, with corresponding Common Shares issued November 10, 2021, and ascribed a fair value of $40,500). The remaining condition for the exercise of the Kenogami Option is the Company incurring no less than $150,000 of exploration expenditures on the Kenogami Property on or before January 5, 2026.

The Company continues to assess the Kenogami Property to determine the most effective and efficient path towards completing the remaining $150,000 work commitment.

The Black Horse Property, Nevada, USA

On December 6, 2021, the Company signed a binding definitive agreement with Minex LLC ("Minex") for an option (the "Option") to acquire the Black Horse property. An initial payment to Minex of a combination of US$1million in cash ($1,281,200 - paid) and 1,250,000 Common Shares (issued on December 13, 2021, ascribed a fair value of $2,250,000) of the Company initiated the Option.

In the second quarter of fiscal 2022, the Company assessed the carrying value of this property in the context of the outcomes it received from its completed drilling programs to date, resulting in an impairment charge of $2,148,890 being recognized on the statements of loss and comprehensive loss for the year ended December 31, 2022. Subsequently, the Company entered into an agreement with Minex which resulted in the Common Shares issued and half of the initial cash paid in conjunction with the Option returned to the Company and the property returned to Minex.

(Expressed in Canadian Dollars)

6. Right-of-Use Assets

Right-of-use assets at December 31, 2021		-
Additions		112,631
Depreciation		(51,622)
Balance, December 31, 2022	**$**	**61,009**
Depreciation		(74,468)
Additions		87,128
Balance, December 31, 2023	**$**	**73,669**

Right-of-use assets consists of a two facility leases amortized over 22 and 24 months.

Maturity Analysis - Contractual Undiscounted Cash Flows

As at December 31, 2023:		
Less than one year	$	53,002
Greater than one year		27,911
Total undiscounted lease obligation	**$**	**80,913**

7. Lease Obligation

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10%, which is the Company's incremental borrowing rate. The continuity of the lease liabilities are presented in the table below:

Balance, December 31, 2021	$	-
Additions		112,631
Accretion expense		8,339
Lease payments		(56,698)
Balance, December 31, 2022	**$**	**64,272**
Additions		87,129
Accretion expense		9,328
Lease payments		(81,790)
Balance, December 31, 2023	**$**	**78,939**

As at Deecember 31, 2023:		
Less than one year	$	50,886
Greater than one year		28,053
Total lease obligation	**$**	**78,939**

(Expressed in Canadian Dollars)

8. Share Capital

a) Authorized share capital - at December 31, 2023, the authorized share capital consisted of an unlimited number of Common Shares. The Common Shares do not have a par value. All issued shares are fully paid.

b) Common Shares issued - the holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to share rateably the remaining assets of the Company.

The change in issued share capital for the periods presented are as follows:

	Common Shares(#)	**Amount**
Balance, December 31, 2021	21,334,455	$ 27,674,324
Issued on private placement (i)	2,499,996	5,750,000
Costs of issue (i)	-	(249,172)
Warrants issued in conjunction with private placement (i)	-	(2,143,017)
Shares returned to treasury on termination of property agreement (note 4)	(1,250,000)	(2,250,000)
Balance, December 31, 2022	22,584,451	$ 28,782,135
Issued on private placement (ii)	2,272,727	2,000,000
Costs of issue (ii)	-	(107,571)
Issued on property acquisition (note 4)	5,000,000	7,250,000
Issued on exercise of stock options	275,000	257,455
Balance, December 31, 2023	**30,132,178**	**$ 38,182,019**

(i) On March 11, 2022, the Company closed a non-brokered private placement of 2,499,996 units at an issue price of $2.30 per unit, for aggregate gross proceeds of $5,750,000. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder to acquire one common share of the Company for a period of 12 months from the date of issuance of the warrant, at an exercise price of $3.50 per share. Cash costs of issue amounted to $249,172 in aggregate.

The 1,249,998 warrants issued in conjunction with this private placement were ascribed a fair value of $2,143,017, estimated using the Black-Scholes option pricing model using the relative value method with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 1.6%, and an expected life of 1 year.

(ii) On May 24, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of $2 million, issuing 2,272,727 Common Shares at a price of $0.88 per Common Share. Costs of issue and commissions totalling $107,571 were paid.

(Expressed in Canadian Dollars)

9. Warrants

The following table reflects the continuity of warrants for the years ended December 31, 2023 and 2022:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2021	-	$ -
Issued	1,249,988	3.50
Balance, December 31, 2022	**1,249,988**	**$ 3.50**
Expired	(1,249,988)	3.50
Issued (note 5)	340,000	1.34
Balance, December 31, 2023	**340,000**	**$1.34**

The following table reflects the warrants outstanding as at December 31, 2023:

Expiry Date	Exercise Price	Weighted Average Life Remaining	Warrants Outstanding	Black-Scholes Value
November 17, 2028	$ 1.34	4.98 years	340,000	$ 472,532

(Expressed in Canadian Dollars)

10. Stock Options

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares.

The following table reflects the continuity of stock options for the year ended December 31, 2023 and 2022:

	Number of Stock Options	Weighted Average Exercise Price (CDN)
Balance, December 31, 2021	2,027,500	$1.36
Granted (v)(vi)	105,000	$2.67
Expired	(10,000)	$2.87
Balance, December 31, 2022	**2,122,500**	**$1.42**
Granted (i)(ii)(iii)(iv)	1,025,000	$1.38
Expired	(147,500)	$7.92
Exercised	(275,000)	$0.50
Balance, December 31, 2023	**2,725,000**	**$1.15**

i) On April 12, 2023, the Company granted 195,000 stock options to two consultants at an exercise price of $0.76 per share, vesting one-half immediately and the remaining one-half on April 12, 2024, expiring five years from the date of grant. The resulting fair value of $159,179 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 3.04%, an expected life of 5 years, and a forfeiture rate of nil.

ii) On June 23, 2023, the Company granted 245,000 stock options to consultants at an exercise price of $1.60 per share, vesting one-half immediately and the remaining one-half on June 26, 2024, expiring five years from the date of grant. The resulting fair value of $342,175 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 3.70%, an expected life of 5 years, and a forfeiture rate of nil.

iii) On September 15, 2023, the Company granted 525,000 stock options to consultants at an exercise price of $1.53 per share, vesting one-half immediately and the remaining one-half on September 15, 2024, expiring five years from the date of grant. The resulting fair value of $403,358 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 4.02%, an expected life of 5 years, and a forfeiture rate of nil.

iv) On November 13, 2023, the Company granted 60,000 stock options to consultants at an exercise price of $1.12 per share, vesting one-half immediately and the remaining one-half on November 13, 2024, expiring five years from the date of grant. The resulting fair value of $73,254 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 3.94%, an expected life of 5 years, and a forfeiture rate of nil.

v) On February 1, 2022, the Company granted 25,000 stock options to a consultant at an exercise price of $2.10 per share, vesting one-half immediately and the remaining one-half on February 1, 2023, expiring five years from the date of grant. The resulting fair value of $55,347 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 1.65%, an expected life of 5 years, and a forfeiture rate of nil.

(Expressed in Canadian Dollars)

10. Stock Options (Continued)

vi) On February 17, 2022, the Company granted 80,000 stock options (10,000 options were cancelled during the year) to two consultants at an exercise price of $2.87 per share, vesting one-half immediately and the remaining one-half on February 17, 2023, expiring five years from the date of grant. The resulting fair value of $228,784 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 1.75%, an expected life of 5 years, and a forfeiture rate of nil.

The following table reflects the stock options outstanding as at December 31, 2023:

Expiry Date	Exercise Price(CDN)	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
April 12, 2028	$ 0.76	4.28 years	195,000	$ 159,179
June 26, 2028	1.60	4.49 years	195,000	272,343
January 10, 2024	3.04	0.03 years	75,000	212,025
July 2, 2025	0.55	1.50 years	1,175,000	582,095
November 11, 2026	0.81	2.87 years	25,000	20,560
December 2, 2026	1.28	2.92 years	65,000	71,916 +
December 10, 2026	1.55	2.95 years	115,000	157,789
December 17, 2026	1.90	2.96 years	200,000	378,280
February 1, 2027	2.10	3.09 years	25,000	55,348
February 17, 2027	2.87	3.13 years	70,000	200,186
November 13, 2028	1.53	4.87 years	60,000	73,254
November 13, 2028	1.12	4.71 years	525,000	403,358
	$ 1.14	2.84 years	2,725,000	$ 2,586,333

Of the 2,725,000 options outstanding at December 31, 2023, 2,210,000 were exercisable (December 31, 2022 - 2,070,000).

11. Net Loss Per Share

The calculation of basic and diluted income (loss) per share for the year ended December 31, 2023 and 2022 was based on the loss attributable to common shareholders of $5,388,882 and $4,472,448, respectively and the weighted average number of common shares outstanding of 25,881,296 and 23,179,907, respectively. Basic and diluted income (loss) per share are the same.

12. Related Party Balances and Transactions

	2023	2022
Remuneration paid to CEO	**$ 312,855**	$ 156,201
Remuneration paid to CFO	**$ 30,000**	$ 25,000
Stock-based compensation expense,directors and officers	**$ 330,943**	$ 243,213

As at December 31, 2023, amounts due to related parties totaled $47,235 (December 31, 2022 - $27,716) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company included in accounts payable.

12. Related Party Balances and Transactions (Continued)

During the year ended December 31, 2023, Mr. Brian Hinchcliffe was paid consulting fees of $312,885 (2022 - $156,201) in his capacity as executive chairman and CEO. As at December 31 2023, $7,509 (December 31, 2022 - $5,312) was included in accounts payable and accrued liabilities in relation to these fees.

During the year ended December 31, 2023, Ms. Chelsea Hayes was paid consulting fees of $242,012 in her capacity as an officer of the Company, being director of business development (2022 - $190,925). Included in accounts payable and accrued liabilities at December 31, 2023 is $nil (December 31, 2022 - $nil) with respect to these services.

During the year ended December 31, 2023, the Company expensed $71,021 (2022 - $62,261) to Marrelli Support Services Inc. (“Marrelli Support”) and DSA Corporate Services Inc., together known as the “Marrelli Group” for:

(i) Robert D.B. Suttie, President of Marrelli Support, to act as Chief Financial Officer (“CFO”) of the Company,
(ii) Bookkeeping and office support services, and
(iii) Regulatory filing services.

The Marrelli Group is also reimbursed for out of pocket expenses.

As of December 31, 2023, the Marrelli Group was owed $10,625 (December 31, 2022 - $3,160). These amounts are included in accounts payable and accrued liabilities.

For the year ended December 31, 2023, legal fees of $191,597 (2022 - $93,793) was paid to a law firm for which a director is a founder. The legal fees incurred pertained to general corporate matters and the Acquisition. As at December 31, 2023, $16,013 (December 31, 2022 - $11,734) was included in accounts payable and accrued liabilities in relation to these fees.

During the year ended December 31, 2023, $nil (2022 - $328,883) was paid to a company controlled by the Chief Operating Officer of the Company until his resignation in October 2022. As at December 31, 2023 - $nil (December 31, 2022 - $1,492) was included in accounts payable and accrued liabilities in relation to these fees.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(Expressed in Canadian Dollars)

13. Exploration Expenses

		2023		2022
Prospect Mountain Project				
Drilling	**$**	**925,288**	$	-
Project management		**228,661**		-
Camp support		**466,516**		-
Geological		**410,091**		-
Geophysics		**340,149**		-
Field supplies		**181,347**		-
Mapping		**90,586**		-
Survey		**45,172**		-
Assays		**145,106**		-
Amortization of equipment		**28,545**		-
Environmental		**68,402**		-
	$	**2,929,863**	$	-
Black Horse Project				
Drilling	**$**	**-**	$	1,028,666
Project management		**42,956**		484,728
Camp support		**-**		302,045
Geological		**-**		68,703
Survey		**-**		28,599
Field supplies		**33,380**		34,514
Mapping		**-**		26,638
Environmental		**11,961**		20,055
Assays		**-**		85,436
	$	**88,297**	$	2,079,384
The Kenogami Property				
Geological	**$**	**1,940**	$	18,530
	$	**1,940**	$	18,530
Investigation of Prospective Properties	**$**	**90,343**	$	-
Total Exploration Expenses for the year	**$**	**3,110,443**	$	2,097,914

(Expressed in Canadian Dollars)

14. Income Taxes

The significant components of the Company's deferred income taxes are as follows as at December 31:

	2023	2022
Deferred income tax asset		
Exploration and evaluation	$ 2,332,085	$ 1,126,880
Share issue costs and other	95,561	112,058
Non-capital losses carried forward	5,453,966	4,840,917
Deferred tax assets not recognized	(7,881,612)	(6,079,855)
	$ -	$ -

The reported recovery of income taxes differs from the amounts computed by applying the combined Canadian federal and provincial income tax rates to the reported loss before income taxes due to the following:

	2023	2022
Loss before recovery of income taxes	$ (5,388,883)	$ (4,472,448)
Combined statutory income tax rate	26.50%	26.50%
Expected income tax recovery	$ (1,428,054)	$ (1,185,199)
Non-deductible share based payment expense	243,863	174,620
Change in unrecognized deferred tax assets	1,801,757	1,337,639
Share issue costs booked directly to equity	(1,400,056)	(649,074)
Permanent differences and other	782,490	322,014
Income tax expense reflected in the consolidated statements of loss and comprehensive loss	$ -	$ -

As at December 31, 2023, the Company has estimated non-capital losses of $20,581,003 available to reduce future income taxable income for income tax purposes, expiring at various dates between 2035 and 2043.

The potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized in these financial statements as it is not considered probable that sufficient future tax profit will allow the deferred tax assets to be recovered.

15. Subsequent Events

On January 29, 2024, 25,000, $1.55 options were exercised, and 75,000 $1.55 options expired.