Consolidated Financial Statements of

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

For the years ended December 31, 2023 and 2022

To the Shareholders of West High Yield (W.H.Y.) Resources Ltd.:

Opinion

We have audited the consolidated financial statements of West High Yield (W.H.Y.) Resources Ltd. and its subsidiary (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and comprehensive loss, changes in shareholders' deficit and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year 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 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 in the consolidated financial statements, which indicates that the Company incurred a net loss and used cash in operations during the year ended December 31, 2023 and, as of that date, the Company had a working capital deficiency. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

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Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Matter

The consolidated financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on April 27, 2023.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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 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 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 skepticism 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 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 Brad Frampton.

Calgary, Alberta

MNP LLP

April 12, 2024

Chartered Professional Accountants

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Consolidated Statements of Financial Position
Stated in Canadian dollars

	As at	
	December 31, 2023	December 31, 2022
Assets		
Current Assets:		
Cash and cash equivalents	**168,544**	1,046,225
Accounts receivable	**515**	117,783
Prepaid expenses	**79,411**	62,264
	248,470	1,226,272
Restricted deposits *(Note 3)*	**68,568**	68,568
Property and equipment (*Note 4*)	**28,501**	47,251
Exploration and evaluation assets (*Note 5)*	**1,508,364**	1,508,364
Total Assets	**1,853,903**	2,850,455
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	**1,961,813**	1,980,243
Flow-through premium liabilities (*Note 8(b))*	**113,604**	125,600
Lease liabilities (*Note 10*)	**-**	6,212
Due to related parties (*Note 9)*	**3,963,631**	3,747,637
Total Liabilities	**6,039,048**	5,859,692
Shareholders' Deficiency		
Common shares *(Note 8(b))*	**20,509,460**	19,894,401
Warrants *(Note 8(c))*	**1,998,346**	1,542,232
Contributed surplus	**9,427,339**	8,537,996
Deficit	**(36,113,455)**	(32,977,482)
Deficiency attributable to equity holders	**(4,178,310)**	(3,002,853)
Non-controlling interest	**(6,835)**	(6,384)
Total Shareholders' Deficiency	**(4,185,145)**	(3,009,237)
Total Liabilities and Shareholders' Deficiency	**1,853,903**	2,850,455

Going concern (*Note 1*)

Subsequent events (*Note 16)*

Approved on behalf of the Board of Directors

signed "Frank Marasco Jr."	*signed "Barry Baim"*
Frank Marasco Jr., CEO and Director	**Barry Baim, Corporate Secretary and Director**

See accompanying notes to the consolidated financial statements.

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Consolidated Statements of Operations and Comprehensive Loss
Stated in Canadian dollars

	Years ended	
	December 31, 2023	December 31, 2022
Expenses		
Head office expense	**1,379,326**	1,413,671
Exploration expense (*Note 6)*	**998,793**	2,581,838
Interest and bank charges *(Note 7)*	**261,958**	257,247
Interest on long term debt (*Note 7*)	**-**	81,916
Gain on settlement of debt (*Note 7)*	**-**	(156,969)
Foreign exchange (gain) or loss	**-**	320
Stock based compensation (*Note 8)*	**477,598**	27,774
Depreciation and amortization (*Note 4)*	**18,749**	22,741
	3,136,424	4,228,538
Net loss before income taxes	**3,136,424**	4,228,538
Deferred income tax recovery (*Note 12*)	**-**	(416,659)
Net loss and comprehensive loss	**(3,136,424)**	(3,811,879)
Net loss attributable to:		
Equity holders of the Company	**(3,135,973)**	(3,811,851)
Non-controlling interest	**(451)**	(28)
	(3,136,424)	(3,811,879)
Loss per share		
Basic and diluted	**(0.04)**	(0.05)
Weighted average number of shares outstanding (Note 8(e))		
Basic and diluted	**85,761,351**	79,279,840

See accompanying notes to the consolidated financial statements.

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Consolidated Statements of Shareholders' Deficit
Stated in Canadian dollars

	Years ended	
	December 31, 2023	**December 31, 2022**
Common shares (*Note 8(b)*)		
Balance, beginning of year	19,894,401	16,403,581
Private placement	622,712	3,361,759
Warrants exercised	-	241,471
Share issue costs	(7,653)	(112,410)
Balance, end of year	**20,509,460**	**19,894,401**
Warrants *(Note 8(c))*		
Balance, beginning of year	1,542,232	705,938
Issued on private placement	867,859	878,827
Warrants exercised	-	(35,222)
Warrants expired unexercised	(411,745)	(7,311)
Balance, end of year	**1,998,346**	**1,542,232**
Contributed surplus		
Balance, beginning of year	8,537,996	8,502,911
Warrants expired unexercised	411,745	7,311
Stock based compensation	477,598	27,774
Balance, end of year	**9,427,339**	**8,537,996**
Deficit		
Balance, beginning of year	(32,977,482)	(29,165,631)
Net loss	(3,135,973)	(3,811,851)
Balance, end of year	**(36,113,455)**	**(32,977,482)**
Total Shareholder's deficiency	**(4,178,310)**	**(3,002,853)**

See accompanying notes to the consolidated financial statements.

WEST HIGH YIELD (W.H.Y.) RESOURCES LTD.

Consolidated Statements of Cash Flow
Stated in Canadian Dollars

	Years ended	
	December 31, 2023	December 31, 2022
Cash provided by (used in)		
Operating		
Net loss	**(3,136,424)**	(3,811,879)
Add (deduct) non-cash items:		
Interest accrued - related party loan (*Note 7)*	**215,994**	216,200
Interest accrued - long term loan *(Note 7)*	**-**	81,916
Deferred income tax recovery	**-**	(416,659)
Change in flow-through premium liabilities	**(11,996)**	-
Gain on settlement of debt *(Note 7)*	**-**	(156,969)
Stock based compensation *(Note 8)*	**477,598**	27,774
Depreciation and amortization *(Note 4)*	**18,749**	22,741
	(2,436,079)	(4,036,876)
Net change in non-cash working capital (*Note 15*)	**81,692**	2,270,932
Cash Flow used in operating activities	**(2,354,387)**	(1,765,944)
Financing		
Issue of shares and warrants *(Note 8*)	**1,490,571**	2,845,762
Shares and warrant issue costs *(Note 8)*	**(7,653)**	(112,388)
Payment of lease liabilities *(Note 10)*	**(6,212)**	(9,196)
Cash Flow from financing activities	**1,476,706**	2,724,178
Investing		
Purchase of property and equipment *(Note 4)*	**-**	(45,474)
Cash flow used in investing activities	**-**	(45,474)
Increase in cash and cash equivalents	**(877,681)**	912,760
Cash and cash equivalents, beginning of year	**1,046,225**	133,465
Cash and cash equivalents, end of year	**$ 168,544**	$ 1,046,225
Interest paid	**$ 45,864**	$ 41,047

See accompanying notes to the consolidated financial statements.

1. Nature of operations and going concern

West High Yield (W.H.Y.) Resources Ltd. (the "Company") was incorporated on August 29, 2003 under the laws of the Province of Alberta and its principal business activities are the acquisition, exploration and development of mineral properties in British Columbia, Canada. The Company's shares trade on the TSX Venture Exchange under the trading symbol WHY. The Company's registered head office is P.O. Box 68121, Calgary, AB, T3G 3N8.

These consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The ability of the Company to continue as a going concern is dependent on continued forbearance of the amounts due to related parties and the Company's ability to obtain financing to continue exploration and development of the mineral property. There is no certainty that the Company will be able to obtain the financing required to continue exploration and development activities or of the ongoing forbearance of related parties and other creditors. In addition, there is no certainty that the mineral property will contain economically recoverable reserves. For the year ended December 31, 2023, the Company had incurred a net loss of $3,136,424 and used cash in operations of $2,354,387. As at December 31, 2023, the Company had a working capital deficiency of $5,790,578. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying amount and classification of assets and liabilities and the amount of reported expenses. Such adjustments could be material.

2. Material accounting policies

(a) Basis of presentation and measurement

Statement of compliance:

The consolidated financial statements have been prepared using accounting policies in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors on April 12, 2024.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain equity instruments measured at fair value.

These consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiary.

(b) Use of judgments and estimates

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Judgements

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the consolidated financial statements.

Going Concern

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

Property Title

Although the Company takes steps to verify title of exploration and evaluation assets in which it has an interest, however, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected agreements.

Taxes

The Company applies judgment in determining the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain due to interpretations of complex tax regulations, changes in tax laws, and the amounts and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expenses already recorded.

Provisions

Management's determination of no material restoration, rehabilitation and environmental exposure is based on the facts and circumstances that existed during the year.

Mineral Properties

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely to arise from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Exploration and evaluation assets are reviewed for changes in facts and circumstances suggesting the carrying amount exceeds the recoverable amount at each consolidated statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and interruptions in exploration activities. The Company's review considers the following:

- The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Estimates

Share-based compensation

The recognition of expenses associated with the Company's stock option plan requires estimates of the fair value of stock options and warrants granted. Determining most of the inputs to the valuation model requires assumptions which include share trading volatility and the expected life of the options and warrants.

Deferred taxes

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates and theses taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

(c) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary. Subsidiaries are entities which the Company controls by having the power to govern the entity's financial and operating policies. The Company consolidates its wholly-owned subsidiary. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases. All intercompany balances, transactions and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

The consolidated financial statements of the Company include MG Innovations Inc., a private Alberta company of which the Company holds 40% ownership.

(d) Property and equipment:

Property and equipment are recorded at historical cost. Depreciation is recognized on a straight-line basis over three to ten years, which represents the estimated useful lives of the assets. Depreciation rates, estimated lives and salvage values are reassessed annually.

(e) Exploration and evaluation assets:

Pre-permit costs are recognized in earnings as incurred. Exploration expenditures incurred prior to the determination of the feasibility of mining operations are expensed as incurred, with the exception of costs to acquire and maintain the mineral leases. The amounts shown for exploration and evaluation assets represents costs incurred to date and are not intended to reflect present or future values. Mineral property acquisition costs and exploration and development expenditures incurred subsequent to the determination of feasibility of mining operations, are capitalized following commencement of commercial production. Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount or if sufficient data exists to determine technical feasibility and commercial viability. For purposes of impairment testing, mineral exploration and development assets are allocated to cash generating units (“CGUs” or individually, a “CGU”). Impairment indicators may include a decision to abandon, curtail activity, negative exploration results or anticipated future mineral prices, anticipated costs of developing and operating a producing mine are not economical or the general likelihood that the Company will not continue exploration on the exploration and evaluation assets. When there is little prospect of further work on a property being carried out by the Company or other indicators of impairment, the capitalized costs associated with the exploration and evaluation assets are written down to their estimated recoverable amount.

To determine if an exploration and evaluation asset is technically feasible and commercially viable a review of each exploration permit is carried out, at least annually, to ascertain whether a mineral resource has been identified in sufficient quantities and certainty and can be mined economically. When an exploration and evaluation asset is determined to be commercially viable, the related carrying amounts are transferred to property and equipment. The costs related to exploration and evaluation assets from which there is production, together with the costs of production equipment, will be depleted and amortized on the unit-of-production method based upon estimated reserves as determined by independent consulting engineers. If the exploration and evaluation assets is abandoned or it is determined that its carrying amount cannot be supported by future production or sales, the related costs will be recorded in earnings in the year of abandonment or determination of an impairment.

(f) Impairment:

(i) Financial assets:

The Company has elected to measure loss allowances for receivables at an amount equal to lifetime expected credit losses (“ECLs”). Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). Impairment losses on financial assets are recorded in earnings. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses on financial assets carried at amortized cost are recorded in earnings in subsequent periods if the amount of the loss decreases.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves.

Exploration and evaluation assets will be allocated to related CGUs when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to producing assets.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to carrying amounts of the assets in the CGU on a pro rata basis.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

(g) Leased assets:

When the Company is party to a lease arrangement as the lessee, it recognizes a right -of-use (a "ROU asset") and a corresponding lease obligation on the balance sheet on the date that a leased asset becomes available for use. Interest associated with the lease obligation is recognized over the lease period with a corresponding increase to the underlying lease obligation. ROU assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Depreciation on ROU assets is recognized in depreciation and amortization. ROU assets and lease obligations are initially measured on a present value basis. Lease obligations are measured as the net present value of the lease payments which may include: fixed leased payments, variable lease payments based on an index or a rate, and amounts expected to be payable under residual value guarantees and payments to exercise an extension or termination option, if the Company is reasonably certain to exercise either of those options. ROU assets are measured at cost which is composed of the amount of the initial measurement of the lease obligation, less any incentives received, plus any lease payments made at, or before, the commencement date and initial direct costs and asset restoration costs, if any. The rate implicit in the lease is used to determine the present value of the liability and ROU asset arising from a lease, unless this rate is not readily determinable, in which case the Company's incremental borrowing rate is used.

Low-value asset leases are not recognized on the consolidated statement of financial position and lease payments are instead recognized in the consolidated financial statements as incurred. For certain classes of leases, the Company does not separate lease and non-lease components, accounting for these leases as a single lease component.

(h) Foreign currency translation:

Foreign currency amounts are translated to Canadian dollars as follows:

At the transaction date, each asset, liability, revenue or expense is translated into Canadian dollars using the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated by using the exchange rate in effect at that date and the resulting foreign exchange gains and losses are recorded in earnings.

(i) Decommissioning obligations:

The Company's activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of expenditure required to settle the present obligation at the consolidated statement of financial position date. Subsequent to the initial measurement, the obligations are adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are recognized in accordance with the Company's policy for the related asset. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

The Company's estimates of future decommissioning obligations are based on reclamation standards that meet current regulatory requirements. The estimate of the total liability of future site restoration costs may be subject to change based on amendments to laws and regulations and as new information concerning the Company's operations becomes available. Accordingly, the amount of the liability will be subject to re-measurement at each reporting period.

(j) Taxes:

Tax expense comprises current and deferred tax. Current tax expense 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 is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable earnings will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable earnings will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognized directly in equity is recognized in equity and not in the statement of income. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(k) Share based payments:

The grant date fair value of options granted to employees, officers, consultants and directors is recognized as share-based compensation expense with a corresponding increase in contributed surplus over the vesting period. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. A Black-Scholes option pricing model was used to estimate the fair value of share-based payments.

(l) Share capital:

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Shares issued for consideration other than cash are valued at the quoted market price on the date the agreement to issue the shares was reached. Share purchase warrants issued in connection with share capital are fair valued and recorded separately from share capital. A Black-Scholes option pricing model was used to estimate the fair value of warrants.

(m) Flow-through shares:

The difference between the value ascribed to flow-through shares issued and the value that would have been received for common shares at the date of issuance of the flow-through shares is initially recognized as a liability on the balance sheet. When the expenditures are incurred, the liability is drawn down, a deferred tax liability is recorded equal to the estimated amount of deferred income tax payable by the Company as a result of the renunciation, and the difference is recognized in profit or loss. In instances where the Company has sufficient available tax loss carry forwards or other deductible temporary differences available to offset the renounced tax deductions, the realization of the deductible taxable differences will be credited to income in the period of renunciation.

(n) Loss per share:

Loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted per share calculations reflect the exercise or conversion of potentially dilutive securities or other contracts to issue shares at the later of the date of grant of such securities or the beginning of the period.

(o) Financial Instruments:

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income (“FVTOCI”) , and
- Fair value through profit or loss.

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVTOCI, but not to investments in equity instruments.

The following summarizes the Company's financial assets and financial liabilities:

- Cash and cash equivalents, accounts receivable, restricted deposits, accounts payable and accrued liabilities, and due to related parties have been measured at amortized cost using the effective interest rate method

- All financial assets and liabilities for which fair value is measured or disclosed are further categorized using a three-level hierarchy that reflects the significance of the lowest level of inputs used in determining fair value:

  - Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

  - Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

  - Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

(p) New accounting pronouncements

Amendments to IAS 12 Income Taxes

Effective January 1, 2023, amendments to IAS 12 require entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Effective January 1, 2023, amendments to IAS 8 replace the definition of a change in accounting estimate with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments clarify that a change in an accounting estimate that results from new information or new developments is not the correction of an error.

Amendments to IAS 1 Presentation of Financial Statements

Effective January 1, 2023, amendments to IAS 1 require that a company disclose its material accounting policies rather than its significant accounting policies and explain how a company can identify material accounting policies.

The adoption of these amendments have not had a material impact on the Company's consolidated financial statements.

(q) Future accounting pronouncements

Effective January 1, 2024, amendments to IAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability with covenants as current or non-current and related disclosure.

3. Restricted deposits

As at December 31, 2023, the Company has $68,568 (2022 - $68,568) in deposits in restricted accounts as required by the British Columbia Ministry of Mining.

4. Property and equipment

December 31, 2023	**Cost**	**Accumulated amortization**	**Net book value**
Buildings	29,692	29,692	-
Office equipment	85,412	84,712	700
Automotive equipment	181,434	153,633	27,801
Field equipment	82,449	82,449	-
Right of use asset	66,152	66,152	-
	445,139	**416,638**	**28,501**

December 31, 2022	**Cost**	**Accumulated amortization**	**Net book value**
Buildings	29,692	29,692	-
Office equipment	85,412	81,178	4,234
Automotive equipment	181,434	144,548	36,886
Field equipment	82,449	82,449	-
Right of use asset	66,152	60,021	6,131
	445,139	397,888	47,251

5. Exploration and evaluation assets

The exploration and evaluation assets consist of eight crown granted mineral claims, three modified grid claims and six staked claims in the Rossland Mining Camp located in the Trail Creek Mining district in southeastern British Columbia, Canada.

There were no impairment indicators for the exploration and evaluation assets as of December 31, 2023 or 2022.

On October 1, 2023, the Company entered into a lease agreement (the “Lease”) Big Mountain Development Corp. Ltd. (“Big Mountain”) whereby the Company agreed to lease lands from Big Mountain located in Rossland, British Columbia that are adjacent to its Record Ridge magnesium deposit and Midnight gold claim for the purposes of asset storage and a staging location for its Record Ridge claims. The Lease is for a term of five (5) years, with an option to renew said lease term for an additional five (5) years after the expiration of the initial term. The rent payable by the Company to Big Mountain under the Lease is CAD$65,000 per annum. The Company shall, during the initial term and any renewal term, have the option to purchase from Big Mountain the lands it is leasing under the Lease for the purchase price of CAD$745,000 (if such option is exercised in the first year of the initial term) and the purchase price shall increase by fifteen (15%) percent for every year after the first (1st) year of the initial term and any renewal term should the option to purchase not be exercised by the Company during the first (1st) year of the initial term.

6. Exploration and evaluation costs

Exploration costs expensed by the Company on its mineral property are as follows:

	Year ended	
	December 31, 2023	December 31, 2022
Consulting and labour	**656,231**	497,783
Legal	**81,913**	-
Assay	**64,067**	115,789
Drilling	**6,305**	1,534,956
Permitting	**50,400**	-
Pre-feasibility	**-**	193,945
Reporting	**22,650**	-
Field equipment and supplies	**6,053**	173,610
Miscellaneous field office	**4,630**	7,720
Project management	**3,900**	-
Accommodation and meals	**7,412**	12,328
Travel and transportation	**-**	22,811
GIC and data management	**5,973**	-
Core logging	**42,675**	-
Freight and equipment transport	**4,324**	19,185
Geology and mapping	**38,436**	-
Property and mineral taxes	**3,824**	3,711
Total	**998,793**	2,581,838

During 2023, the Company continued to work on the environmental study, stakeholder engagement, and mine plan development as required by the Environmental Assessment Certification and permit processes set out by the British Columbia Ministry of Mines.

During the year ended December 31, 2022, the Company completed a brokered flow-through private placement offering (the “2022 FT Private Placement”) for gross proceeds of $785,000. The terms underlying the 2022 FT Private Placement require the Company to incur $785,000 of qualifying Canadian exploration expenses (the “CEEs”) and Canadian Development Expenses (“CDEs”) and to renounce the CEEs and CDEs to the Company’s shareholders who subscribed for securities under the 2022 FT Private Placement, on or before December 31, 2024.

During the year ended December 31, 2021, the Company completed a brokered flow-through private placement offering (the “2021 FT Private Placement”) for gross proceeds of $2,499,951. The terms underlying the 2021 FT Private Placement required the Company to incur $2,499,951 of CEEs and renounce the CEEs to the Company’s shareholders who subscribed for securities under the 2021 FT Private Placement on or before December 31, 2023. These expenditures were renounced in 2022.

The Company has commitments to spend $710,021 in CDEs in 2024.

7. Long term debt

On April 27, 2016, the Company received a $1,000,000 unsecured loan with a 10-year repayment term, bearing interest at an annual rate of 11.61% and repayable in its entirety at end of such 10-year term. Loan repayment terms advance in the event the Company achieves cumulative net cash flow from operations of greater than $5,000,000 subsequent to April 27, 2026, which has not occurred to date.

On May 20, 2022, the Company entered into a debt settlement agreement with an arm's length creditor of the Company whereby it agreed to convert $1,883,822 of debt owed, consisting of the principal and $883,622 of accrued interest, by issuing 3,139,370 common shares of the Company (the "Settlement Shares") at a value of $0.60 per Settlement Share in full and final satisfaction of the debt owing to the creditor and a gain on settlement of $156,969. The Settlement Shares were issued in reliance of certain prospectus exemptions available under Canadian securities legislation and were subject to the standard four month and one day hold period from their date of issuance.

Financing costs comprised of the following:

	Year ended	
	December 31, 2023	December 31, 2022
Interest on long-term debt	**-**	81,916
Interest on related party loans (*Note 9*)	**215,994**	216,200
Other interest and bank charges	**45,964**	41,047
Interest on long term debt	-	81,916
Total interest	**261,958**	257,247

8. Equity instruments

(a) Share capital:

The Company's authorized share capital consists of an unlimited number of common shares without par value.

(b) Common shares issued and outstanding:

The continuity of the Company's issued common share capital is as follows:

	Number of Shares	**Amount**
Balance as at December 31, 2021	74,287,307	16,403,581
Share issue costs	-	(112,410)
Warrants exercised	687,500	241,471
Private placements ((ix)-(xvii))	8,977,714	3,361,759
Balance as at December 31, 2022	83,952,521	19,894,401
Share issue costs	-	(7,653)
Warrants exercised	-	-
Private placements ((i)-(viii))	5,525,100	622,712
Balance as at December 31, 2023	89,477,621	20,509,460

Notes:

(i) On January 18, 2023, the Company completed a second tranche closing of a concurrent brokered private placement offering (the "Concurrent Offerings") by issuing 309,530 ordinary units (the "Ordinary Units") at a price of $0.42 per Ordinary Unit for total gross proceeds of $130,003. Each Ordinary Unit consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of $0.70 per share for 24 months from the date of closing.

(ii) On January 26, 2023, the Company completed the final tranche closing of the Concurrent Offerings by issuing 159,523 Ordinary Units at a price of $0.42 per Ordinary Unit for total gross proceeds of $67,000. Each Ordinary Unit consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of $0.70 per share for 24 months from the date of closing.

(iii) On February 3, 2023, the Company's board of directors approved and authorized a grant of 1,748,000 stock options to various directors and consultants of the Company. All options are vested on their date of grant. One option entitles the holder thereof to purchase one common share at a price of $0.45 per share for a period of five (5) years from the Option grant date.

(iv) On May 19, 2023, the Company completed a sixth tranche closing (the "**Sixth Tranche Closing**") of the ELOC Facility, totaling 1,000,000 units issued to Alumina at a price of $0.36 per unit for total gross proceeds of $360,000. Each unit issued under the Sixth Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one additional common share at a price of $0.5625 per share for 36 months from the date of the Sixth Tranche Closing.

(v) On September 13, 2023, the Company authorized a private placement offering of units. The offering of units was set at a price of CAD$0.30 per unit for a maximum raise of proceeds of up CAD$900,000. Each unit shall consist of one common share and one share purchase warrant exercisable into one additional common share at a price of $0.35 per share for 24 months from each closing date under the offering. On September 26, 2023, the Company repriced the units being offered under the offering to a price of CAD$0.23 per unit, and all of the other terms of the offering remained the same. The Company received CAD$123,005 in trust from subscribers prior to September 30, 2023 in connection with the offering, but did not complete its initial tranche closing or realize on said funds until October 12, 2023.

(vi) On October 12, 2023, the Company completed a first tranche closing of the Concurrent Offering by issuing 2,259,152 Ordinary Units at a price of $0.23 per Ordinary Unit for total gross proceeds of $519,605.04. Each Ordinary Unit consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of $0.35 per share for 24 months from the date of closing.

(vii) On November 2, 2023, the Company completed a second tranche closing of the Concurrent Offering by issuing 1,277,956 Ordinary Units at a price of $0.23 per Ordinary Unit for total gross proceeds of $293,929.88. Each Ordinary Unit consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of $0.35 per share for 24 months from the date of closing.

(viii) On November 29, 2023, the Company completed its final tranche closing of the Concurrent Offering by issuing 518,939 Ordinary Units at a price of $0.23 per Ordinary Unit for total gross proceeds of $119,356. Each Ordinary Unit consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of $0.35 per share for 24 months from the date of closing. The Company paid a finder's fee of CAD$2,760 and issued 12,000 finder's warrants to one finder in respect of the Offering.

(ix) On December 15, 2021, the Company entered into a definitive agreement (the "Investment Agreement") for an equity financing facility ("ELOC Facility") of up to $12,000,000 with Alumina Partners (Ontario) Ltd. ("Alumina"), an affiliate of New York-based private equity firm Alumina Partners LLC. The Investment Agreement provides the Company with a financing facility over a period of 24 months (the "Term") during which the Company can draw down equity private placement tranches over the Term, with each tranche being in the amount of up to $500,000. Each tranche will be comprised of units issued at a price equivalent to a 15-25% discount to the market price of a common share of the Company, and each unit consists of one common share and one share purchase warrant (with the Exercise price of the warrants being a 25% premium over the market price of the shares). The Investment Agreement can be terminated with 10-day notice by either party.

On January 19, 2022, the Company completed a second tranche closing (the "**Second Tranche Closing**") of the ELOC Facility of up to a total of $12,000,000, totaling 925,925 units issued to Alumina at a price of $0.54 per unit for total gross proceeds of $500,000. Each unit issued under the Second Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one additional common share at a price of $0.8375 per common share for 36 months from the date of the Second Tranche Closing.

(x) On February 14, 2022, the Company issued 200,000 common shares upon the exercise of outstanding stock options of the Company by a single option holder for total gross proceeds of $24,000.

(xi) On March 11, 2022, the Company completed a third tranche closing (the "**Third Tranche Closing**") of the ELOC Facility, totaling 892,857 units issued to Alumina at a price of $0.56 per unit for total gross proceeds of $500,000. Each unit issued under the Third Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one additional common share at a price of $0.875 per share for 36 months from the date of the Third Tranche Closing.

(xii) On April 25, 2022, the Company completed a fourth tranche closing (the "**Fourth Tranche Closing**") of the ELOC Facility totaling 724,637 units issued to Alumina at a price of $0.50 per unit for total gross proceeds of $ 362,319. Each unit issued under the Fourth Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one common share at a price of $0.775 per share for 36 months from the date of the Fourth Tranche Closing.

(xiii) On May 20, 2022, the Company entered into a debt settlement agreement with an arm's length creditor of the Company whereby it agreed to convert $1,883,822 in debt owed to said creditor by issuing 3,139,370 common shares of the Company (the "**Settlement Shares**") at a deemed price of $0.60 per Settlement Share in full and final satisfaction of the debt owing to the creditor.

(xiv) On September 22, 2022, the Company completed a fifth tranche closing (the "**Fifth Tranche Closing**") of the ELOC Facility totaling 925,925 units issued to Alumina at a price of $0.27 per unit for total gross proceeds of $250,000. Each unit issued under the Fifth Tranche Closing consisted of one common share and one common share purchase warrant exercisable into one common share at a price of $0.45 per share for 36 months from the date of the Fifth Tranche Closing.

(xv) On December 22, 2022, the Company completed an initial tranche closing of a concurrent brokered private placement offering (the "**Concurrent Offering**") by issuing 1,570,000 flow-through units (the "**Flow-Through Units**") at a price of $0.50 per Flow-Through Unit for gross proceeds of $785,000 and 399,000 ordinary units (the "**Ordinary Units**") at a price of $0.42 per Ordinary Unit for gross proceeds of $167,580, representing aggregate gross proceeds of $952,580. Each Flow-Through Unit consisted of one common share issued on a flow-through basis and one-half of one common share purchase warrant (the "**FT Warrants**"). Each Ordinary Unit consisted of one common share and one common share purchase warrant (the "**Ordinary Warrants**"). One full FT Warrant, together with $0.70, entitles each holder to acquire one additional common share of the Company for a period of 18 months from the closing date. One full Ordinary Warrant, together with $0.70, entitles each holder to acquire one additional common share of the Company for a period of 24 months from the closing date. In connection with the initial tranche closing of the Concurrent Offering, the Company issued 113,942 non-transferable share purchase warrants (the "**Broker Warrants**") to and as directed by GloRes Securities Inc. ("**Broker**"), equal to 6% of the number of Flow-Through Units and Ordinary Units issued under the initial tranche closing of the Concurrent Offering to subscribers introduced by the Broker, and paid the Broker a cash commission of $55,056, being 6% of the aggregate proceeds from the number of Flow-Through Units and Ordinary Units issued under the initial tranche closing of the Concurrent Offering to subscribers introduced by the Broker. The Broker Warrants have identical terms to the Ordinary Warrants. All securities issued in connection with the initial tranche closing of the Concurrent Offering were subject to the standard four month and one day hold period from their date of issuance.

(xvi) During the year ended December 31, 2022, the Company issued 500,000 common shares upon the exercise of outstanding common share purchase warrants of the Company by a single warrant holder for total gross proceeds of $150,000.

(c) Warrants

The number of warrants in the table below have been adjusted to reflect the number of shares that would be issued upon exercise of the warrant based on the conversion factor.

	Number of Warrants	Amount
Balance at December 31, 2021	**3,349,454**	**705,938**
Private Placement	4,767,282	878,827
Warrants expired unexercised	(120,682)	(7,311)
Warrants exercised	(837,500)	(35,222)
Balance at December 31, 2022	**7,158,352**	**1,542,232**
Private Placement	5,537,101	867,859
Warrants expired unexercised	(1,666,634)	(411,745)
Warrants exercised	-	-
Balance at December 31, 2023	**11,028,819**	**1,998,346**

The value assigned to the warrants included in the unit offerings is based on the Black-Scholes options Pricing model using the following assumptions:

	2023	2022
Risk free rate	**3.67% - 4.85%**	2.25% - 3.83%
Share price	**$0.16 - $0.33**	$0.45 - $0.78
Expected life	**2 - 3 years**	3 years
Volatility	**90% - 258%**	71% - 129%

(d) Stock Options:

The Company has a stock option plan (the "Plan") for its officers, directors, employees and consultants. The maximum number of common shares issuable under the Plan cannot exceed 10% of the Company's issued and outstanding common shares. Under the Plan, all options expire no later than five years from the grant date and vest immediately upon the grant.

The following table summarizes the status of the options issued pursuant to the plan.

	Stock Options		**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life (years)**
Balance, December 31, 2021	7,002,000		0.32	3.32
Options granted, August 17, 2022	80,000		0.43	4.63
Options expired, August 8, 2022	(75,000)		0.12	
Options exercised, February 8, 2022	(400,000)		.012	
Balance, December 31, 2022	6,607,000	$	0.30	1.82
Options granted, Feb. 23, 2023	1,748,000		0.45	4.10
Options granted Nov. 27,2023	375,000		0.23	4.91
Balance, December 31, 2023	**8,730,000**	**$**	**0.32**	**2.41**
Exercisable options as at December 31, 2023	**7,288,000**	**$**	**0.31**	**2.05**

The fair value of the stock options granted was calculated at the grant date using the Black-Scholes option pricing model using the following assumptions:

	2023	2022
Risk free rate	**3.29%**	3.4%
Share price		
Expected life	**5 Years**	5 years
Volatility	**173% - 175%**	115%

The range of exercise prices for stock options outstanding and exercisable under the plan at December 31, 2023 is as follows:

Exercise Price	Awards Outstanding and Exercisable	Remaining contractual life (years)	Weighted Average Exercise Price($)
$0.12-$0.35	5,925,000	1.73	0.20
$0.43-$0.45	636,000	4.06	0.45
$1.05	727,000	2.88	1.05
	7,288,000	2.05	0.31

(e) Loss per share

Basic per share amounts are calculated using the weighted average number of shares outstanding during the year ended December 31, 2023 of $0.04 (2022 – $0.05). The calculation of diluted loss per share equals basic loss per share as the effect of outstanding options are anti-dilutive.

9. Related party transactions

The Company has received loans from Big Mountain Development Corp. Ltd. ("Big Mountain"), a related party by nature of being a significant shareholder of the Company, as detailed in the table below. The loans received from Big Mountain are due on demand and secured by promissory notes and a general security agreement over all the assets of the Company.

	Year ended	
	December 31, 2023	December 31, 2022
Big Mountain loan:		
Loan due December 31, 2023 (bears interest at 8%)	**1,700,000**	1,700,000
Advance on loan (8%)	**65,788**	65,788
Advance on loan (10%)	**750,000**	750,000
Accrued interest	**1,447,843**	1,231,849
	3,963,631	**3,747,637**

Interest on related party loans is as follows:

	Year ended	
	December 31, 2023	December 31, 2022
Interest	**215,994**	216,200

Transactions with related parties are incurred in the normal course of operations and initially recorded at fair value.

10. Lease liability

	Year ended	
	December 31, 2023	December 31, 2022
Balance, beginning of year	**6,212**	6,212
Additions	**-**	9,197
Lease interest expense	**188**	403
Lease payments	**(6,400)**	(9,600)
Balance, end of year	**-**	6,212

11. Key management personnel

The Company has determined that the key management personnel of the Company consist of its officers and directors. The following table provides information on compensation expense related to officers and directors.

	Year ended	
	December 31, 2023	December 31, 2022
Wages, consulting fees and benefits	**633,595**	651,696
Stock based compensation expense	**511,949**	-
Total	**1,145,544**	651,696

As at December 31, 2023, $665,000 (2022- $665,000) of wages and consulting fees is included in accounts payable and accrued liabilities.

12. Taxes

(a) The tax provision differs from the expected amount calculated by applying the Canadian combined federal and provincial corporate income tax rate of 23% (2022 – 23%) to net loss. The major components of these differences are as follows:

	2023	2022
Net loss	**(3,136,424)**	(4,228,538)
Statutory tax rate	**23.0%**	23.0%
Computed expected income tax (recovery)	**(721,337)**	(972,564)
Non-deductible expenses	**142,297**	6,388
Change in unrecognized deferred tax asset	**1,022,914**	400,496
Other	**(443,834)**	149,020
Deferred tax recovery	**-**	(416,659)
Current tax expense (recovery)	**-**	-
Deferred tax expense (recovery)	**-**	(416,659)
Deferred tax recovery	**-**	(416,659)

(b) The Company has the following recognized tax asset.

Flow through liabilities	**-**	-
Non-capital losses	**-**	-
Deferred tax recovery	**-**	-

(c) The components of the Company's unrecognized deductible temporary differences are as follows:

	2023	2022
Property, equipment and mineral property	**5,379,351**	7,764,492
Non-capital losses	**19,507,953**	14,529,181
Share issue costs	**135,673**	193,238
SR&ED tax pools	**750,663**	-
SR&ED investment tax credits	**266,967**	-
	26,040,607	22,486,911

The Company’s non-capital losses are available to reduce taxable income in future periods and will expire between 2026 and 2043. The future tax benefit of the non-capital losses has not been recognized in these consolidated financial statements.

The Company’s SR&ED pool is available to reduce taxable income in future periods and does not expire. The Company’s SR&ED ITC pool is available to reduce taxes in future periods and does not expire. The future tax benefit of the SR&ED pool and ITC pool have not been recognized in these consolidated financial statements.

13. Financial risk exposure, risk management and financial instruments

(a) Fair value:

Financial instruments of the Company consist primarily of cash and cash equivalents, accounts receivable, restricted deposits, accounts payable and accrued liabilities, and due to related party. As at December 31, 2022, there were no significant differences between the carrying amounts reported on the consolidated statement of financial position and their estimated fair values as the amounts are short term in nature, or bear interest at market rates.

(b) Liquidity risk:

Cash forecasts are done to match spending on general and administration costs and exploration costs to available cash resources. Spending is increased or decreased to match available funds. Alternatively, the Company seeks capital through the offering of common shares or loans from related parties to fund general and administrative costs and exploration activities. As discussed in note 1, the Company will have to raise additional capital through the issue of shares or other means to discharge its current liabilities and the amount due to the related party or seek forbearance of the related party and other creditors.

(c) interest rate risk:

Related party loans are at fixed rates therefore the Company is not exposed to interest rate fluctuations thereon except if the loans are refinanced at maturity versus settled.

(d) Credit risk:

Cash and cash equivalents are held with one bank. Accounts receivable is comprised predominantly of goods and services taxes input tax credits refundable therefore the Company's credit exposure is not significant.

(e) Commodity price risk:

The Company is not currently exposed to commodity price risk, as the Company is in the pre-production phase. The overall development of the Company's properties is exposed to mineral price risks as a significant decrease in relevant prices would affect the economic returns of the mineral property.

14. Capital disclosures

The Company's capital historically has been derived from the issuance of equity and more recently from advances from a related party. Management monitors its financial position on an ongoing basis. Equity is issued or debt from related parties is obtained to finance drilling programs and Company's operations. Significant capital will be required for full development of commercial mining production if the properties are proven to be economic.

15. Supplemental cash flow information

	Year ended	
	December 31, 2023	December 31, 2022
Accounts receivable	**117,268**	2,405,906
Prepaid expenses	**(17,146)**	85,839
Accounts payable and accrued liabilities	**(18,431)**	(220,813)
Net change in non-cash working capital	**81,691**	2,270,932

16. Subsequent events

On March 25, 2024, the Company issued 1,578,000 stock options in accordance with the terms of the Plan. 1,160,000 of the stock options were issued to the members of the board of directors of the Company, 60,000 of the stock options were issued to one (1) officer of the Company and 403,000 of the stock options were issued to four (4) consultants of the Company. One (1) stock option entitles the holder thereof to purchase one (1) common share of the Company. All of the stock options vested on their date of grant and have a term of 10 years from their date of grant. The exercise price of the stock options was set at CAD$0.23 per common share, which was above the closing trading price of the common shares on the TSX Venture Exchange on their date of grant.

On March 14, 2024, the Company completed its first tranche closing of a non-brokered private placement offering of units by issuing 2,114,000 units at a price of $0.25 per unit for total gross proceeds of $528,500. Each unit issued under the first tranche closing consisted of one common share and one share purchase warrant exercisable into one additional common share at a price of $0.35 per common share until March 14, 2025.

On January 31, 2024, the Company entered into loan amending agreements with Big Mountain pertaining to two outstanding loans made by Big Mountain to the Company. Big Mountain has provided term loans to the Company in the aggregate amount of $3,339,485 (as previously disclosed herein) with interest owing and accruing thereon. Both loans have surpassed their maturity date and Big Mountain agreed to extend the expiry date of both loans to December 31, 2024 in consideration for the Company paying a loan extension fee to Big Mountain.