EMINENT GOLD

Consolidated Financial Statements

December 31, 2023

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Eminent Gold Corp.

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate 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 financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 Information

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

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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 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 Barry Hartley.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 29, 2024

EMINENT GOLD CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2023	December 31, 2022
Assets		
Current assets		
Cash	$ 207,046	$ 96,416
Receivable (Note 3)	10,884	8,403
Prepaid expenses	87,099	508,359
Total current assets	305,029	613,178
Exploration and evaluation assets (Note 4)	2,751,327	4,995,328
Total assets	$ 3,056,356	$ 5,608,506
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5 and 8)	$ 334,873	$ 244,985
Total liabilities	334,873	244,985
Shareholders' equity		
Share capital (Note 7)	10,734,613	9,337,897
Share-based payment reserve (Note 7)	1,604,150	1,464,818
Deficit	(9,617,280)	(5,439,194)
Total shareholders' equity	2,721,483	5,363,521
Total liabilities and shareholders' equity	$ 3,056,356	$ 5,608,506

Nature of and continuance of operations and going concern (Note 1)
Subsequent events (Note 12)

Approved on behalf of the Board on April 29, 2024:

/s/ "Paul Sun"
Paul Sun, Director

/s/ "Daniel McCoy"
Daniel McCoy, Director

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

EMINENT GOLD CORP.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Expenses		
General and administrative	$ 49,996	$ 75,995
Professional fees	94,147	182,403
Insurance	42,951	42,837
Interest expense (Note 9)	7,781	-
Marketing and shareholder communication	203,445	231,151
Consulting fees (Note 8)	358,903	343,725
Transfer agent and filing fees	49,084	41,177
Stock based compensation (Notes 7 and 8)	45,213	408,345
Property investigation and exploration (Note 8)	132,948	185,286
Loss before other item:	984,468	1,510,919
Write-down of mineral properties (Note 4)	3,193,618	-
Net and comprehensive loss	$ 4,178,086	$ 1,510,919
Basic and diluted loss per share	$ (0.09)	$ (0.04)
Weighted average number of shares outstanding – basic and diluted	46,789,274	42,771,254

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

EMINENT GOLD CORP.
Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share capital				
	Number	Amount	Share-based payment reserve	Deficit	Total shareholders' equity
Balance, December 31, 2021	41,072,738	$ 7,519,321	$ 1,056,473	$ (3,928,275)	$ 4,647,519
Shares issued for cash (Note 7)	3,104,444	1,371,576	-	-	1,371,576
Shares issued for properties (Notes 4 and 7)	750,000	447,000	-	-	447,000
Stock based compensation (Note 7)	-	-	408,345	-	408,345
Net and comprehensive loss	-	-	-	(1,510,919)	(1,510,919)
Balance, December 31, 2022	44,927,182	9,337,897	1,464,818	(5,439,194)	5,363,521
Shares issued for cash (Note 7)	3,017,500	834,798	79,287	-	914,085
Shares issued to settle debt (Note 7)	781,250	250,000	-	-	250,000
Fair value of finder warrants issued (Note 7)	-	(14,832)	14,832	-	-
Shares issued for properties (Notes 4 and 7)	950,000	326,750	-	-	326,750
Stock based compensation (Note 7)	-	-	45,213	-	45,213
Net and comprehensive loss	-	-	-	(4,178,086)	(4,178,086)
Balance, December 31, 2023	49,675,932	$ 10,734,613	$ 1,604,150	$ (9,617,280)	$ 2,721,483

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

EMINENT GOLD CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash provided by (used in):		
Operating activities		
Net loss	$ (4,178,086)	$ (1,510,919)
Adjustment for:		
Write-down of mineral properties	3,193,618	-
Stock based compensation	45,213	408,345
Changes in non-cash working capital items:		
Receivable	(2,481)	21,292
Prepaid expenses	421,260	(128,299)
Accounts payable and accrued liabilities	370,854	103,234
Net cash used in operating activities	(149,622)	(1,106,347)
Investing activities		
Exploration and evaluation activities	(653,833)	(1,332,333)
Net cash used in investing activities	(653,833)	(1,332,333)
Financing activities		
Proceeds from issuance of common shares, net of costs	914,085	1,371,576
Net cash from financing activities	914,085	1,371,576
Increase (decrease) in cash	110,630	(1,067,104)
Cash, beginning	96,416	1,163,520
Cash, ending	$ 207,046	$ 96,416
Non-cash investing activity:		
Value of shares issued to acquire properties	$ 326,750	$ 447,000
Exploration and evaluation expenditures in accounts payable	$ 19,735	$ 50,701
Value of finder warrants issued	$ 14,832	$ -

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

1. Nature and continuance of operations and going concern

Eminent Gold Corp. (the "Company") was incorporated in the province of British Columbia on May 5, 2011. The Company is engaged in the exploration and evaluation of resource properties. The Company's registered office is 3849 Thurston Street, Burnaby, British Columbia, V5H 1H9. The Company's shares are traded on the TSX Venture Exchange (the "Exchange") under the symbol "EMNT".

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2023, the Company has not generated any revenue and incurred a loss of $4,178,086. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the consolidated financial statements. The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand the financial statements.

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on an accrual basis and are based on historical costs modified where applicable. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary Hot Springs Resources Corp. Intercompany balances and transactions are eliminated on consolidation.

(b) Use of estimates and assumptions

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

2. Material accounting policy information (continued)

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

(c) Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- The assessment for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount; and
- The classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

(d) Cash

Cash includes cash on hand deposits held on call with banks.

(e) Restoration, rehabilitation, and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other assets.

The increase in the restoration provision due to the passage of time is recognized as interest expense.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

(f) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

2. Material accounting policy information (continued)

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(f) Farm outs

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized. If the consideration exceeds amounts previously capitalized, any excess is recorded in the statement of comprehensive loss.

(g) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income 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 by the end of the reporting period. 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.

2. Material accounting policy information (continued)

(h) Financial instruments

(i) Financial assets

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	**Classification**
Cash	FVTPL
Receivable	Amortized cost
Accounts payable	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

(iii) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

2. Material accounting policy information (continued)

(j) Financial instruments (continued)

(i) Financial assets (continued)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

(i) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

Proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated to the common shares up to their fair value, determined by reference to the quoted market price of the common shares on the issuance date, and the remaining balance, if any, to the reserve for warrants.

(j) Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

(k) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

(l) Accounting standards issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued and have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

(Expressed in Canadian dollars)

3. Receivable

	December 31, 2023	December 31, 2022
GST receivable	$ 10,884	$ 8,403

4. Exploration and evaluation assets

Hot Springs Property

On April 20, 2020 (the "effective date"), the Company entered into an option agreement to acquire a 100% interest in the Hot Springs Property in the Humboldt County of Nevada, USA. In order to acquire the option, the Company is required to make payments of USD $136,140, issue 1,650,000 common shares and make a final balloon payment of USD$1,500,000 on the fifth anniversary. The balloon payment may be made in cash or stock, at the Company's discretion. The optionor maintains a 2% net smelter royalty which may be purchased by the Company in 0.1% increments for USD$100,000 per each 0.1% increment to a maximum of 1% for USD$1,000,000.

During the year ended December 31, 2020, the Company staked additional claims adjacent to the property subject to the option terms at a cost of $51,639.

On April 19, 2023, the Company amended the option agreement to acquire a 100% interest in the Hot Spring Property whereby the cash payment initially due on the third anniversary was increased by USD$1,250 and due no later than October 1, 2023 (paid).

On April 17, 2024, the Company entered into a second amending agreement to acquire 100% interest in the Hot Spring Property whereby the cash payment initially due on the fourth anniversary was increased by USD$2,500 and due no later than June 21, 2024.

During the year ended December 31, 2023, the Company capitalized $111,757 (2022 - $100,904) of other costs as acquisition costs.

A summary of payments is outlined below:

Latest Payment Date	Cash (USD)		Shares	Fair value of shares issued	Balloon payment (USD)
Effective Date (December 14, 2020)	$36,140 (paid)	($51,711)	100,000 (issued)	$15,000	-
First Anniversary	$25,000 (paid)	($31,643)	150,000 (issued)	$120,000	-
Second Anniversary	$25,000 (paid)	($31,484)	300,000 (issued)	$198,000	-
Third Anniversary	-		300,000 (issued)	$105,000	-
October 1, 2023	$26,250 (paid)	($35,941)			
Fourth Anniversary	-		300,000	-	-
June 21, 2024	$27,500		300,000		-
Fifth Anniversary	-		500,000		$1,500,000
Total	$139,890		1,650,000		$1,500,000

Weepah

On December 14, 2020, the Company entered into an option agreement to acquire a 100% interest in the Weepah claims in Esmeralda County, Nevada, USA. In order to acquire the option, the Company is required to make payments of US $1,000,000, and issue 500,000 common shares. The Company issued to a finder 5,000 common shares with a fair value of $3,150 and paid $6,366 (US$5,000) in cash. The optionor maintain a 3% net smelter royalty on the property. The Company may make cumulative payments of US$2,500,000 to reduce the royalties payable on the entirety of the property to 2%. During the year ended December 31, 2020, the Company paid one optionor $16,035 (US$12,540) for the claims and paid $12,787 (US$10,000) for the royalty. During the year ended December 31, 2021, the Company paid an annual royalty of $32,423 (US$25,000) for both optionors.

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (continued)

Weepah (continued)

On November 1, 2022, the Company amended the agreement whereby the payment initially due on December 14, 2022 was increased by USD$10,000 and due on June 1, 2023. This amount was further extended and paid on July 7, 2023.

During the year ended December 31, 2023, the Company capitalized $25,912 (2022 - $43,703) of other costs as acquisition costs.

A summary of payments is outlined below:

Latest Payment Date	Cash (USD)		Shares	Fair value of shares issued
Effective Date	$50,000 (paid)	($63,938)	-	
5 days of exchange approval	-		50,000 (issued)	$31,500
First Anniversary	$100,000 (paid)	($127,320)	100,000 (issued)	$61,000
Second Anniversary	-		150,000 (issued)	$84,000
July 7, 2023	$210,000 (paid)	($282,305)	-	
Third Anniversary	$250,000		200,000	
Fourth Anniversary	$400,000		-	
Total	$1,010,000		500,000	

During the year-ended December 31, 2023, the Company abandoned the property and incurred a write-down of $1,551,150.

Spanish Moon District

On January 27, 2021 (the “effective date”), the Company entered into option agreements to acquire 100% of the Spanish Moon Property and 87.5% of the Barcelona Property, collectively known as the Spanish Moon District, by making cumulative cash payments of USD$1,395,000 and issuing 1,250,000 common shares. There optionors maintain a net smelter royalty of 3% on the property which may be reduced to 2% by making cumulative payments of US$1.0 million. The Company is responsible for Property holding costs during the duration of the option agreement.

On November 1, 2022, the Company amended the Spanish Moon Property agreement whereby the payment initially due on January 27, 2023 was increased by USD$6,250 and due on June 1, 2023.

On June 23, 2023 and June 30, 2023, these agreements were amended respectively so that the Company could extend the payments originally due on June 1, 2023 to January 2024 as per the tables below by paying cumulative cash payments of USD$1,320,000 and issuing 1,150,000 common shares.

During the year ended December 31, 2023, the Company capitalized $63,820 (2022 - $43,294) of other costs as acquisition costs.

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (continued)

Spanish Moon District (continued)

On June 30, 2023, the Company further amended the Spanish Moon Property agreement whereby payments are scheduled as outlined below:

Latest Payment Date	Cash (USD)	(CDN)	Shares	Fair value of shares issued
Effective Date	$50,000 (paid)	($63,129)	-	
5 days of exchange approval			150,000 (issued)	$102,000
January 27, 2022	$75,000 (paid)	($95,117)	150,000 (issued)	$90,000
January 27, 2023	-		200,000 (issued)	$93,000
January 26, 2024	$50,000		75,000	
January 26, 2025	$100,000		75,000	
January 26, 2026	$200,000		-	
January 26, 2027	$200,000		-	
Total	$675,000		650,000	

On December 25, 2022, the Company amended the Barcelona Property agreement whereby the payment initially due on January 27, 2023 was extended to June 1, 2023. On June 23, 2023, the Company further amended the Barcelona Property agreement whereby payments are scheduled as outlined below:

Latest Payment Date	Cash (USD)		Shares	Fair value of shares issued
Effective Date	$20,000 (paid)	($25,886)	-	
5 days of exchange approval	-		50,000 (issued)	$32,000
First Anniversary	$25,000 (paid)	($32,002)	50,000 (issued)	$31,500
Second Anniversary	-		100,000 (issued)	$46,500
Third Anniversary	$25,000		-	
Fourth Anniversary	$25,000		100,000	
Firth Anniversary	$25,000		200,000	
Sixth Anniversary	$525,000		-	
Total	$645,000		500,000	

During the year-ended December 31, 2023, the Company abandoned the properties and incurred a write-down of $1,642,468.

Gilbert South

On June 24, 2021 (the "effective date") the Company entered into an option agreement to acquire a 100% interest in the Gilbert South Project in Nevada, USA. In order to acquire the option, the Company is required to make payments of US $875,000, issue 500,000 common shares and incur US $100,000 in expenditures.

A summary of payments is outlined below:

Latest Payment Date	Cash (USD)		Shares	Fair value of shares issued
Effective Date	$25,000 (paid)	($31,508)	50,000 (issued)	$42,500
First Anniversary	$50,000 (paid)	($65,077)	100,000 (issued)	$43,500
Second Anniversary	$100,000		150,000	
Third Anniversary	$100,000		200,000	
Fourth Anniversary	$100,000		-	
Firth Anniversary	$500,000		-	
Total	$875,000		500,000	

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (continued)

Gilbert South (continued)

On October 27, 2023, the Company received final approval to amend the Gilbert South option agreement to a purchase agreement whereby the Company has acquired a 100% in the property in exchange for 350,000 common shares (issued with a fair value of $82,850 (Note 7)). An additional 200,000 common shares will be issued when the Company initiates a drill program. The Timberline claims are currently subject to a 3% net smelter return royalty, the Nevada Select claims are currently subject to a 2% net smelter return royalty, and the GL claims are currently subject to a 2.25% net smelter return royalty. The Company shall have the option and right to repurchase 1% of the GL royalty for $1 million (U.S.). The Seller shall have the option to buy down 1% of the Timberline net smelter return for $1.5 million (U.S.).

During the year ended December 31, 2023, the Company capitalized $29,783 (2022 - $26,345) of other costs as acquisition costs.

Costs incurred with respect to the properties are summarized below:

	Hot Springs	Weepah	Spanish Moon District	Gilbert South	Total
Acquisition Costs					
Balance, December 31, 2021	$ 456,448	$ 438,219	$ 332,068	$ 132,407	$ 1,359,142
Additions	330,388	127,703	291,913	134,922	884,926
Balance, December 31, 2022	786,836	565,922	623,981	267,329	2,244,068
Additions	252,698	308,217	203,320	112,633	876,868
Write-down	-	(874,139)	(827,301)	-	(1,701,440)
Balance, December 31, 2023	1,039,534	-	-	379,962	1,419,496
Deferred Exploration Costs					
Balance, December 31, 2021	684,733	564,563	320,124	423,548	1,992,968
Consulting (Note 8)	62,517	90,651	216,534	58,081	427,783
Drilling preparation	36,099	-	24,091	-	60,190
Geophysics	-	-	134,000	-	134,000
Assays	-	-	8,893	1,190	10,083
Other	34,195	7,040	83,264	1,737	126,236
Balance, December 31, 2022	817,544	662,254	786,906	484,556	2,751,260
Consulting (Note 8)	20,109	14,553	28,261	6,182	69,105
Other	3,440	204	-	-	3,644
Write-down	-	(677,011)	(815,167)	-	(1,492,178)
Balance, December 31, 2023	$ 841,093	$ -	$ -	$ 490,738	$ 1,331,831
Total					
Balance, December 31, 2022	$ 1,604,380	$ 1,228,176	$ 1,410,887	$ 751,885	$ 4,995,328
Balance, December 31, 2023	$ 1,880,627	$ -	$ -	$ 870,700	$ 2,751,327

5. Accounts payable and accrued liabilities

	December 31, 2023	December 31, 2022
Accounts payable (Note 8)	$ 289,092	$ 139,724
Accrued liabilities	45,781	105,261
	$ 334,873	$ 244,985

(Expressed in Canadian dollars)

6. Income taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Net loss before income taxes	$ (4,178,086)	$ (1,510,919)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	$ (1,128,083)	$ (407,948)
Non-deductible items	12,208	110,253
Share Issue cost	(13,909)	(6,676)
Other	541,640	(150,763)
Deferred tax assets not recognized	588,144	455,134
Income tax recovery	$ -	$ -

Details of deferred tax assets and liabilities are as follows:

	December 31, 2023	December 31, 2022
Exploration and evaluation assets	$ 510,800	$ (212,428)
Share issuance costs	30,492	28,750
Loss carry-forwards	1,271,335	1,408,161
Total	1,812,627	1,224,483
Valuation allowance	(1,812,627)	(1,224,483)
Net deferred tax asset	$ -	$ -

Management has determined that there is insufficient likelihood of recovery to record a benefit arising from potential tax assets. Accordingly, a 100% valuation allowance has been applied.

The tax pools relating to these deductible temporary differences expire as follows:

	Canadian non-capital losses	Canadian resource pools
2031	$ 28,616	$ -
2032	183,287	-
2033	178,157	-
2034	163,344	-
2035	149,460	-
2036	158,445	-
2037	100,529	-
2038	68,590	-
2039	83,381	-
2040	603,995	-
2041	1,001,999	-
2042	1,137,475	-
2043	851,370	-
No expiry	-	4,643,179
	$ 4,708,648	$ 4,643,179

7. Share capital

Authorized share capital:

Unlimited common shares without par value.

Issued and outstanding:

At December 31, 2023, there were 49,675,932 common shares issued and fully paid common shares outstanding (2022 – 44,927,182).

Issued and outstanding:

Shares issued during the year ended December 31, 2023

On January 27, 2023, the Company issued 300,000 common shares with a fair value of $139,500 in relation to the Spanish Moon District property acquisition (Note 4).

On April 20, 2023, the Company issued 300,000 common shares with a fair value of $105,000 in relation to the Hot Springs Range property acquisition (Note 4).

On July 26, 2023, the Company issued 1,123,750 units for proceeds of $359,600. Each unit is composed of one common share in the capital of the company and one non-transferable share purchase warrant. Each whole warrant will entitle the holder to purchase one additional share in the capital of the company for a period of 36 months from the closing date at an exercise price of $0.50 per warrant share. If, at any time after November 27, 2023, the closing price of the shares is at a price equal to or greater than $1.00 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the warrants by giving notice, by a news release, to the holders of the warrants that the warrants will expire on the date that is 30 days after the issuance of said news release. The warrants were ascribed a fair value of $22,474 under the residual method. The Company incurred cash share issuance costs of $35,750 and issued 111,600 finder warrants fair valued at $11,562.

On July 26, 2023, the Company settled debt of $250,000 through the issuance of 781,250 units (Notes 8 and 9). Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable at $0.50/warrant for a 3 year period.

On September 29, 2023, the Company issued 1,893,750 units for proceeds of $606,000. Each unit is composed of one common share in the capital of the company and one non-transferable share purchase warrant. Each whole warrant will entitle the holder to purchase one additional share in the capital of the company for a period of 36 months from the closing date at an exercise price of $0.50 per warrant share. If, at any time after February 28, 2024, the closing price of the shares is at a price equal to or greater than $1.00 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the warrants by giving notice, by a news release, to the holders of the warrants that the warrants will expire on the date that is 30 days after the issuance of said news release. The warrants were ascribed a fair value of $56,813 under the residual method. The Company incurred cash share issuance costs of $15,765 and issued 37,500 finder warrants valued at $3,270.

On October 27, 2023, the Company issued 350,000 common shares with a fair value of $82,250 in relation to the Gilbert South property acquisition (Note 4).

7. Share capital (continued)

Shares issued during the year ended December 31, 2022

On January 25, 2022, the Company issued 150,000 common shares with a fair value of $90,000 in relation to the Spanish Moon District property acquisition (Note 4).

On February 14, 2022, the Company issued 50,000 common shares with a fair value of $31,500 in relation to the Spanish Moon District property acquisition (Note 4).

On April 20, 2022, the Company issued 300,000 common shares with a fair value of $198,000 in relation to the Hot Springs property acquisition (Note 4).

On June 22, 2022, the Company issued 100,000 common shares with a fair value of $43,500 in relation to the Gilbert South property acquisition (Note 4).

On December 9, 2022, the Company issued 150,000 common shares with a fair value of $84,000 in relation to the Weepah property acquisition (Note 4).

On July 12, 2022, the Company issued 1,642,222 units for proceeds of $739,000. The Company incurred share issuance costs of $16,650 related to these share issuances. Each unit is composed of one common share in the capital of the company and one non-transferable share purchase warrant. Each whole warrant will entitle the holder to purchase one additional share in the capital of the company for a period of 36 months from the closing date at an exercise price of $0.75 per warrant share. If, at any time after January 7, 2023, the closing price of the shares is at a price equal to or greater than $1.50 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the warrants by giving notice, by a news release, to the holders of the warrants that the warrants will expire on the date that is 30 days after the issuance of said news release.

On September 6, 2022, the Company issued 1,462,222 units for proceeds of $658,000. The Company incurred share issuance costs of $8,774 related to these share issuances. Each unit is composed of one common share in the capital of the company and one non-transferable share purchase warrant. Each whole warrant will entitle the holder to purchase one additional share in the capital of the company for a period of 36 months from the closing date at an exercise price of $0.75 per warrant share. If, at any time after January 7, 2023, the closing price of the shares is at a price equal to or greater than $1.50 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the warrants by giving notice, by a news release, to the holders of the warrants that the warrants will expire on the date that is 30 days after the issuance of said news release.

Options:

On April 12, 2012, the directors of the Company adopted a Stock Option Plan (the “Plan”). The plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the 2013 Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options. The number of common shares which may be reserved in any 12 month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding common shares of the Company at the time of grant. The number of common shares which may be reserved in any 12 months period for issuance to any one consultant may not exceed 2% of the issued and outstanding common shares and the maximum number of common shares which may be reserved in any 12 month period for the issuance to all persons engaged in investor relation activities may not exceed 2% of the issued and outstanding common shares of the Company.

(Expressed in Canadian dollars)

7. Share capital (continued)

The 2013 Plan provides that options granted to any person engaged in investor relations activities will vest in stages over 12 months with no more than ¼ of the stock options vesting in any three month period.

During the year-ended December 31, 2022, the Company granted 150,000 stock options to a consultant of the Company. The options vest 1/4 every three months from the grant date. The Black-Scholes Option Pricing Model inputs for the options granted are as follows:

Grant Date	Expiry Date	Options Granted	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield	Fair Value
April 26, 2022	April 26, 2027	150,000	$0.65	2.60%	5 years	70%	0	$0.39

Total expenses arising from stock based compensation recognized during the year ended December 31, 2023 was $45,213 (2022 - $408,345) using the Black-Scholes option pricing model.

A continuity schedule of the Company's outstanding stock options for the years ended December 31, 2023 and 2022 are as follows:

	December 31, 2023			December 31, 2022		
	Number outstanding		Weighted average exercise price	Number outstanding		Weighted average exercise price
Outstanding, beginning of year	3,800,000	$	0.46	3,650,000	$	0.45
Granted	-		-	150,000		0.65
Outstanding, end of year	3,800,000	$	0.46	3,800,000	$	0.46
Exercisable, end of year	3,800,000	$	0.46	3,375,000	$	0.46

At December 31, 2023, the Company had outstanding stock options exercisable to acquire common shares of the Company as follows:

Expiry Date	Options Outstanding		Exercise Price	Remaining Contractual Life (in years)	Options Exercisable
September 17, 2025	2,200,000	$	0.25	1.72	2,200,000
October 26, 2025	100,000		0.45	1.82	100,000
March 18, 2026	150,000		0.79	2.21	150,000
June 30, 2026	150,000		0.95	2.50	150,000
November 11, 2026	1,050,000		0.75	2.87	1,050,000
April 26, 2027	150,000		0.65	3.32	150,000

(Expressed in Canadian dollars)

7. Share capital (continued)

Warrants:

A continuity schedule of the Company's outstanding warrants for the years ended December 31, 2023 and 2022 are as follows:

	December 31, 2023		December 31, 2022	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	3,104,444	$ 0.75	-	$ 0.00
Granted	3,947,850	0.50	3,104,444	0.75
Outstanding, end of year	7,052,294	$ 0.61	3,104,444	$ 0.75

At December 31, 2023, the Company had outstanding warrants exercisable to acquire common shares of the Company as follows:

Expiry Date	Warrants Outstanding	Exercise Price	Remaining Contractual Life (in years)	Warrants Exercisable
July 12, 2025	1,642,222	$ 0.75	1.53	1,642,222
September 6, 2025	1,462,222	0.75	1.69	1,462,222
July 25, 2026	2,016,600	0.50	2.57	2,016,600
September 29, 2026	1,931,250	0.50	2.75	1,931,250

Share-based payment reserve:

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

8. Related party transactions

During the year ended December 31, 2023, the Company paid an officer and director $90,000 (2022 - $90,000) for consulting services.

During the year ended December 31, 2022, the Company paid an officer and director $175,000 (2022 - $180,000) for consulting services.

During the year ended December 31, 2023, the Company paid a director $5,490 (2022 - $10,350) for consulting services and $2,091 (2022 - $19,767) for exploration services, which are included in the statement of comprehensive loss.

During the year ended December 31, 2023, the Company paid a director $13,867 which has been included in exploration and evaluation assets (2022 – $25,560) (Note 4).

Included in stock-based compensation is $11,769 (2022 - $110,632) related to stock options granted to officers and directors.

Included in accounts payable is $117,077 (2022 - $13,593) owing to a director and an officer of the Company (Note 5). Amounts owed bear no interest and are due on demand.

8. Related party transactions (continued)

During the year ended December 31, 2023, the Company settled debt of $150,000 through the issuance of units (Note 7). The interest accrued on the loan is included in accounts payable and accrued liabilities (Note 9).

9. Promissory notes

On February 17, 2023, the Company entered into a promissory note with a Director of the Company in the amount of $150,000 (Note 8). The principal bears interest of 10% per annum and matures in one year. On July 25, 2023, the principal was settled through the issuance of shares (Note 7). During the year ended December 31, 2023, the Company recorded interest expense of $3,535.

On April 28, 2023, the Company entered into a promissory note with an arm's length party in the amount of $100,000. The principal bears interest of 10% per annum and matures in one year. On July 25, 2023, the principal was settled through the issuance of shares (Note 7). During the year ended December 31, 2023, the Company recorded interest expense of $4,246.

10. Financial instruments and risks

(a) Fair values

The fair values of cash and accounts payable approximate their carrying values due to the short-term to maturities of these financial instruments.

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

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

The Company's cash is measured at level 1.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. Credit risk is assessed as low.

(d) Foreign exchange rate risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has operations in the USA and Canada; however, its net monetary position in US dollars is minimal and therefore is not exposed to significant foreign exchange risk.

10. Financial instruments and risks (continued)

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financings will be on terms acceptable to the Company. Liquidity risk is assessed as high.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

11. Capital management

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support acquisition and exploration of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent on external financing to fund its activities. In order to carry out exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new exploration and evaluation assets and seek to acquire interests in properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

12. Subsequent events

On March 31, 2024, the Company cancelled 250,000 stock options with an exercise price of $0.25 and an expiry date of September 17, 2025.

On March 31, 2024, the Company cancelled 100,000 stock options with an exercise price of $0.75 and an expiry date of November 11, 2026.

On March 31, 2024, the Company cancelled 150,000 stock options with an exercise price of $0.65 and an expiry date of April 26, 2027.

On April 3, 2024, the granted 500,000 incentive stock options that are exercisable at $0.32 per share for a period of 5 years and will vest 1/3 each six months following the grant date.

On April 17, 2024, the Company issued 300,000 shares for the Hot Springs agreement.

On April 17, 2024, the Company amended the option agreement to acquire a 100% interest in the Hot Springs Property whereby the cash payment initially due on the fourth anniversary was increased by USD$2,500 and no later than June 21, 2024.