

(An Exploration Stage Company)

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(expressed in United States dollars)

Independent auditor's report

To the Shareholders of Gold79 Mines Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Gold79 Mines Ltd. and its subsidiaries (together, 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of operations and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
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. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

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

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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 for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of exploration and evaluation assets *Refer to note 3 – Material accounting policies and note 6 – Exploration and evaluation assets to the consolidated financial statements.* The total book value of exploration and evaluation assets amounted to $4.9 million as at December 31, 2023. Determining if there are any facts and circumstances indicating impairment loss is a subjective process which requires management's judgment regarding the following factors, among others (i) the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration and evaluation assets are unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2023.	Our approach to addressing the matter included the following procedures, among others: • Assessed the judgment made by management in determining the impairment indicators such as: – Obtained, for all claims, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. – Read the board of directors' minutes and obtained budget approvals to evidence continued and planned substantive expenditures for further exploration for and evaluation of mineral resources in specific areas. – Assessed whether exploration for and evaluation of mineral resources in specific areas have not lead to the discovery of commercially viable quantities of mineral resources and whether sufficient data exists to indicate that the carrying amounts of the exploration and evaluation assets are unlikely to be recovered in full from successful development or by sale, based on evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the significance of the exploration and evaluation assets, the judgments by management in its assessment of indicators of impairment related to exploration and evaluation assets, and the high degree of subjectivity in performing procedures related to these judgments applied by management.	

Other information

Management is responsible for the other information. The other information comprises the 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting 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 Leanne Hassell.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
April 25, 2024

Gold79 Mines Ltd.

(An Exploration Stage Company)

Consolidated Statements of Financial Position

(expressed in U.S. dollars)

	December 31, 2023 $	December 31, 2022 $
Assets		
Current assets		
Cash	90,187	431,959
Amounts receivable (note 4)	5,156	11,881
Prepaid expenses	34,938	72,335
	130,281	516,175
Reclamation deposit (note 5)	12,980	12,980
Exploration and evaluation assets (note 6)	4,929,786	4,473,767
	4,942,766	4,486,747
Total assets	5,073,047	5,002,922
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	195,826	85,461
Total liabilities	195,826	85,461
Shareholders' equity		
Capital stock (note 9)	18,764,503	18,488,756
Warrants (note 9)	499,919	1,026,024
Contributed surplus (note 9)	6,622,738	5,989,730
Accumulated deficit	(20,944,702)	(20,524,317)
Accumulated other comprehensive loss	(65,237)	(62,732)
Total shareholders' equity	4,877,221	4,917,461
Total liabilities and shareholders' equity	5,073,047	5,002,922

Going concern (note 1)

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

Approved by the Board of Directors:

(signed) "Gary Thompson"
Director

(signed) "Paul Carrêlo"
Director

Gold79 Mines Ltd.

(An Exploration Stage Company)

Consolidated Statements of Operations and Comprehensive Loss

(expressed in U.S. dollars)

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Expenses		
Promotion and annual meeting costs	86,127	218,306
Regulatory authority and transfer agent fees	32,082	33,886
Professional fees	51,419	102,766
General and administrative	246,006	301,566
Stock based compensation (note 9)	4,751	-
Total expenses	420,385	656,524
Other income		
Gain on sale of interest in Taviche property (note 6)	-	(152,178)
Total other income	-	(152,178)
Net loss for the year	(420,385)	(504,346)
Other comprehensive income (loss):		
Items that may be subsequently reclassified to operations		
Currency translation differences	(2,505)	2,588
Total comprehensive loss for the year	(422,890)	(501,758)
Net loss per common share:		
Basic and diluted	(0.02)	(0.03)
Weighted average number of common shares outstanding:		
Basic and diluted	18,230,653	14,861,595

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

Gold79 Mines Ltd.

(An Exploration Stage Company)

Consolidated Statements of Changes in Shareholders' Equity

(expressed in U.S. dollars)

	Capital stock[1]		Warrants[1]		Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
	#	$	#	$	$	$	$	$
Balance, December 31, 2021	14,409,604	17,945,716	5,815,488	1,148,136	5,659,225	(20,019,971)	(65,320)	4,667,786
Shares issued for mineral properties (note 6)	276,294	69,063	-	-	-	-	-	69,063
Private placement of units (note 9)	2,706,640	506,087	2,706,640	204,204	-	-	-	710,291
Broker warrants issued to finders (note 9)	-	(4,189)	39,550	4,189	-	-	-	-
Share issue costs	-	(27,921)	-	-	-	-	-	(27,921)
Expiry of warrants (note 9)	-	-	(1,899,526)	(330,505)	330,505	-	-	-
Net loss for the year	-	-	-	-	-	(504,346)	-	(504,346)
Currency translation differences	-	-	-	-	-	-	2,588	2,588
Balance, December 31, 2022	17,392,538	18,488,756	6,662,152	1,026,024	5,989,730	(20,524,317)	(62,732)	4,917,461
Private placement of units (note 9)	1,531,046	242,751	1,531,046	102,086	-	-	-	344,837
Broker warrants issued to finders (note 9)	-	(66)	700	66	-	-	-	-
Share issue costs	-	(14,938)	-	-	-	-	-	(14,938)
Shares issued for mineral properties (note 6)	206,255	48,000	-	-	-	-	-	48,000
Expiry of warrants (note 9)	-	-	(2,829,625)	(628,257)	628,257	-	-	-
Share based compensation (note 9)	-	-	-	-	4,751	-	-	4,751
Net loss for the year	-	-	-	-	-	(420,385)	-	(420,385)
Currency translation differences	-	-	-	-	-	-	(2,505)	(2,505)
Balance, December 31, 2023	19,129,839	18,764,503	5,364,273	499,919	6,622,738	(20,944,702)	(65,237)	4,877,221

[1] Number of issued common shares and warrants have been retroactively adjusted for the Share Consolidation effected on April 22, 2024 (see note 9).

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

Gold79 Mines Ltd.

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

(expressed in U.S. dollars)

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Cash provided by (used in)		
Operating activities		
Net loss for the year	(420,385)	(504,346)
Items not affecting cash:		
Stock based compensation (note 9)	4,751	-
Accrued interest on promissory notes (note 8)	-	1,849
Gain on sale of interest in Taviche property (note 6)	-	(152,178)
Change in non-cash working capital items:		
Amounts receivable	6,725	18,542
Prepaid expenses	37,397	191,443
Accounts payable and accrued liabilities	101,285	(177,075)
	(270,227)	(621,765)
Investing activities		
Exploration and evaluation assets (note 6)	(473,939)	(918,939)
Property option payments received (note 6)	75,000	125,000
Proceeds form sale of interest in Taviche property (note 6)	-	152,178
	(398,939)	(641,761)
Financing activities		
Issuance of common shares and warrants (note 9)	344,837	710,291
Share issue costs	(14,938)	(27,921)
Proceeds from issuance of promissory notes (note 8)	-	67,533
Settlement of promissory notes (note 8)	-	(66,397)
	329,899	683,506
Effect of exchange rate changes on cash	(2,505)	(397)
Net change in cash	(341,772)	(580,417)
Cash - Beginning of year	431,959	1,012,376
Cash - End of year	90,187	431,959

Supplemental cash flow information (note 15)

(expressed in U. S. dollars)

1. Nature of operations and going concern

General information

Gold79 Mines Ltd. (referred to herein collectively with its subsidiaries as the "Company") is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of mineral properties in North America. The Company has not determined whether the properties contain mineral resources that are economically recoverable. The recoverability of amounts recorded for exploration and evaluation assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

Gold79 Mines Ltd. is publicly listed on the TSX Venture Exchange in Canada under the ticker symbol "AUU" and on the OTCQB Venture Market in the United States under the ticker symbol "AUSVF". The Company's registered office is located at Manotick (Ottawa), Ontario, K4M 1A3, Canada, where it is domiciled.

On April 22, 2024, the Company effected the consolidation of all of its issued and outstanding common shares on the basis of one post-consolidation share for every ten pre-consolidation shares previously held (the “Share Consolidation”). This resulted in 191,298,579 pre-consolidation shares being consolidated to 19,129,839 post-consolidation shares. Additionally, the exercise or conversion price and the number of shares issuable with respect to all of the Company's outstanding convertible securities was proportionately adjusted in connection with the Share Consolidation. All share and per share amounts in these consolidated financial statements have been retroactively adjusted to reflect the Share Consolidation.

Going concern

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several matters and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and whether the use of accounting principles relating to a going concern is appropriate. From inception to date, the Company has incurred losses from operations and experienced negative cash flows from operating activities. As at December 31, 2023, the Company had cash totalling $90,187 and had a working capital deficit of $65,545. Subsequent to year end, on April 11, 2024, the Company initiated a non-brokered private placement to raise gross proceeds of up to CDN$1,000,000 (see note 16). Existing funds on hand at December 31, 2023 will not be sufficient to support the Company’s needs for cash to conduct planned exploration on its projects, to maintain its property interests in good standing and to continue operations during the coming year. The Company will require additional funding to be able to advance and retain mineral exploration property interests and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, developing its properties and/or generating profits from operations or disposition of properties in the future.

Management has been successful in obtaining sufficient funding for operating, capital and exploration requirements from the inception of the Company to date. There is, however, no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to management.

These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and statement of financial position classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

2. Basis of preparation and presentation

Statement of compliance

The Company prepares its consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). These consolidated financial statements have been prepared under the historical cost convention and are expressed in United States dollars, which is the Company’s presentation currency.

These consolidated financial statements were approved for issue by the Company's Board of Directors on April 25, 2024.

Basis of presentation and consolidation

Pursuant to a resolution passed by the directors of the Company on July 28, 2020, the Company changed its name to Gold79 Mines Ltd. which became effective August 5, 2020. On July 27, 2020, the Company continued from the laws of Canada under the *Canada Business Corporations Act* to the Province of British Columbia under the *Business Corporations Act (British Columbia)*. The continuance was approved by shareholders of the Company at the annual and special shareholder meeting held on June 30, 2020. On July 24, 2020, the Company closed the amalgamation agreement for the acquisition of Territory Metals Corp. ("Territory") with the Company's wholly-owned subsidiary, 1251498 B.C. Ltd. and Territory amalgamating to become a wholly-owned subsidiary of the Company named Territory Metals Ltd.

The Company was originally incorporated under the *Business Corporations Act (Ontario)* by Articles of Amalgamation dated July 12, 1988. On June 9, 2006 shareholders approved the continuation of the Company under the *Canada Business Corporations Act*. On December 16, 2005, the Company acquired all of the issued and outstanding shares of Au Martinique Inc. ("Au Martinique") which had been operating since October 27, 2003. The share exchange was accounted for as a reverse take-over with Au Martinique deemed to be the acquiror for accounting purposes.

On May 4, 2010, Aura Resources Mexico S.A. de C.V. was incorporated as a wholly-owned Mexican subsidiary. On August 6, 2020, Gold79 Holding One Corp., was incorporated as a wholly-owned British Columbia, Canada subsidiary in order to hold the shares of its wholly-owned subsidiary Gold79 USA Corp., incorporated in Nevada, USA on August 7, 2020. Gold79 USA Corp. was established to hold mineral claims and conduct exploration programs associated with the Company's US based exploration projects.

These consolidated financial statements include the assets, liabilities and expenses of Gold79 Mines Ltd. and its wholly-owned subsidiaries Gold79 Holding One Corp., Gold79 USA Corp., Territory Metals Ltd., Au Martinique (which is inactive) and Aura Resources Mexico S.A. de C.V. All inter-company balances and transactions have been eliminated upon consolidation.

3. Material accounting policies

Cash and cash equivalents

Cash and cash equivalents include investments which have a term to maturity at the time of purchase of ninety days or less and which are readily convertible into cash.

Exploration and evaluation assets

Property acquisition costs and initial and recurring mineral claim staking and concession costs relating to mineral exploration properties together with direct exploration and development expenditures are capitalized. When production is attained, these costs will be amortized. If properties are abandoned or considered to be impaired in value, the exploration and evaluation assets will be written down to their estimated recoverable amount, being the higher of fair value less costs to sell and value in use at that time.

Share capital

Share issue costs are recorded as a reduction of share capital when the related shares are issued. When shares and warrants are issued together as units the proceeds are allocated between common shares and share purchase warrants on a pro-rata basis based on relative fair values at the date of issuance. The fair value of common shares is based on a five-day volume weighted average price on the date the units are issued and the fair value of share purchase warrants is determined using the Black-Scholes option pricing model as of the date of issuance. When broker warrants or compensation options are issued to agents who refer investors to the Company, their fair value is determined using the Black-Scholes option pricing model as of the date of issuance. The fair value of broker warrants or compensation options is recorded as a reduction of share capital as share issue costs.

Stock based compensation

The Company grants stock options to certain officers, directors and consultants of the Company. Each vesting tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation cost related to stock options is charged to expense or is capitalized to exploration and evaluation assets when related to direct exploration activities. Compensation cost is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

Foreign currency translation

The functional currency of Gold79 Mines Ltd. (the parent entity), Gold79 Holding One Corp. and Territory Metals Ltd. is the Canadian dollar. The functional currency of Gold79 USA Corp. and Aura Resources Mexico S.A. de C.V. is the United States dollar. The presentation currency of the Company is the United States dollar.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at each consolidated statement of financial position date. Foreign exchange gains or losses on translation to the functional currency of an entity are recorded in the consolidated statement of operations and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transactions.

For entities with a functional currency different from the presentation currency, translation to the presentation currency is required. Assets and liabilities are translated into the presentation currency at the rate of exchange at the consolidated statement of financial position date. Equity balances are translated at the rates of exchange at the transaction dates. Income and expenses are translated at the exchange rates at the dates of the transactions. All resulting exchange differences arising from translation to the presentation currency are recognized in other comprehensive loss.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of operations and comprehensive loss except to the extent that it relates to items recognized directly in equity; in which case the income tax is also recognized directly in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred income tax assets and liabilities are presented as non-current.

Loss per common share

Basic loss per common share is calculated based upon the weighted average number of common shares outstanding during the period. The diluted loss per common share is calculated using the treasury stock method which includes the dilutive effect of stock options, share purchase warrants and compensation options outstanding when applicable. Details regarding potentially dilutive equity instruments are provided in note 9.

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes a party to the contracts that give rise to them and are classified as: amortized cost; fair value through profit or loss; or, fair value through other comprehensive income, as appropriate. The Company considers whether a contract contains an embedded derivative when it first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at FVTPL and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held by a business whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Amounts receivable are classified as and measured at amortized cost.

Financial liabilities
Financial liabilities, including accounts payable and accrued liabilities are recognized initially at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statements of operations when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities are classified as and measured at amortized cost.

Derecognition of financial assets and liabilities
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. Gains and losses on derecognition are generally recognized in the statement of operations and comprehensive loss. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expelled. The financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of operations.

Changes in IFRS Accounting Standards and future accounting pronouncements
Certain pronouncements were issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee (Committee) that are mandatory for accounting years beginning on or after January 1, 2023. The Company adopted these amendments for the first time for its annual reporting period commencing January 1, 2023. Apart from the summary below, these pronouncements did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Certain other pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting years beginning on or after January 1, 2024. They are not applicable or do not have a significant impact to the Company and have been excluded from the summary below.

Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements
The IASB amended IAS 1: *Presentation of Financial Statements* to require entities to disclose their material rather than their significant accounting policies. The amendments define 'material accounting policy information' as information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence the decisions that primary users of general purpose financial statements make on the basis of those financial statements. It also explains how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 *Making Materiality Judgements* to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors
The amendment to IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Critical accounting estimates and judgments
The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. The most significant items requiring the use of management estimates and valuation assumptions are related to the recoverable value of exploration and evaluation assets; the valuation of all equity instruments including warrants and stock options; and, the ability of the Company to continue as a going concern.

Impairment of exploration and evaluation assets
Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of exploration and evaluation assets requires management's judgment regarding the following factors, among others: the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and for evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration and evaluation assets are unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during subsequent periods.

During the year ended December 31, 2023, management determined that there were no indicators of impairment with respect to its exploration and evaluation assets.

Valuation of equity instruments
The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model. The Company has made estimates as to the volatility of its own common shares, the probable life of share options and warrants and the time of exercise of those instruments.

The Company allocates values to share capital and to warrants according to their fair value using the proportional method when the two are issued together as a unit. The Company uses the Black-Scholes valuation model to determine the fair value of warrants issued.

Going concern considerations
These consolidated financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions. Further information regarding going concern is outlined in note 1.

4. Amounts receivable

Amounts receivable of $5,156 (December 31, 2022 - $11,881) is comprised of harmonized sales tax (HST) receivable.

5. Reclamation deposit

The Company's reclamation deposit comprises a bond in the amount of $12,980 held by the Arizona Bureau of Land Management Arizona State Office with respect to the Gold Chain project. This restricted cash deposit will be returned to the Company upon successful completion of reclamation at the Gold Chain project or after the bond is replaced by another bond related to a change in activity at the project site.

6. Exploration and evaluation assets

	Gold Chain (Arizona, USA)	Jefferson Canyon (Nevada, USA)	Tip Top Gold (Nevada, USA)	Total
Balance, December 31, 2021	**$ 1,014,303**	**$ 709,676**	**$ 1,871,234**	**$ 3,595,213**
Cash paid for purchase of patented claims	250,000	-	-	250,000
Cash option payments	50,000	28,937	25,000	103,937
Shares issued for property interests	48,000	21,063	-	69,063
Claim staking, renewal and maintenance	60,833	12,131	26,212	99,176
Cash option payments received	-	(125,000)	-	(125,000)
Geology	186,069	10,926	2,872	199,867
Geophysical survey	200,428	-	-	200,428
Drilling and related permitting	7,532	73,551	-	81,083
Balance, December 31, 2022	**$ 1,817,165**	**$ 731,284**	**$ 1,925,318**	**$ 4,473,767**
Cash option payments	35,000	-	25,000	60,000
Shares issued for property interests	48,000	-	-	48,000
Claim staking, renewal and maintenance	72,638	-	25,810	98,448
Cash option payments received	-	(75,000)	-	(75,000)
Geology	84,057	-	4,662	88,719
Geophysical survey	2,056	-	-	2,056
Drilling and related permitting	233,796	-	-	233,796
Balance, December 31, 2023	**$ 2,292,712**	**$ 656,284**	**$ 1,980,790**	**$ 4,929,786**

Gold Chain - Arizona, USA

On July 30, 2018, the Company entered into a letter agreement for an option to acquire a 100% interest in the Gold Chain project located in Mohave County, Arizona. The initial project comprised 93 Bureau of Land Management lode mining claims in western Arizona, where work conducted by prior operators has indicated the property is prospective for gold. On February 4, 2019, the Company completed a definitive agreement with the vendors of the Gold Chain project incorporating all of the terms of the letter agreement and other standard industry terms. In May 2020 and July 2023, the Company and the vendors entered into amended option agreements which adjusted future cash and share payments and extended the timing of future payments. Consideration payable to earn a 100% interest in the project is payable in annual instalments over a ten-year period from inception and consists of a total of $565,000 in cash; 30,000 common shares; and, a value of $348,000 payable in common shares as detailed below.

(expressed in U. S. dollars)

Date of payment	Cash $	Value of Common Shares $	Common Shares Issued #
Execution of the letter agreement (paid)	30,000	-	-
Upon final TSX-V approval (shares issued March 2019)	-	-	15,000
On or before July 30, 2019 (paid July 2019)	20,000	-	15,000
On or before July 30, 2020 (paid July 2020)	40,000	60,000	106,042
On or before July 30, 2021 (paid July 2021)	30,000	48,000	74,471
On or before July 30, 2022 (paid July 2022)	30,000	48,000	213,054
On or before July 30, 2023 (paid July 2023)	15,000	48,000	206,255
On or before July 30, 2024	25,000	48,000	-
On or before July 30, 2025	55,000	48,000	-
On or before July 30, 2026	60,000	48,000	-
On or before July 30, 2027	100,000	-	-
On or before July 30, 2028	160,000	-	-
Totals	**565,000**	**348,000**	**629,822**

The vendors of the property hold a 2% net smelter return royalty (NSR) on gold and silver. The Company has the right to buy down the NSR in increments of 1% by paying the vendors the sum of $1 million for each 1% of the NSR at any time prior to completion of the first year of commercial production. Additionally, the vendors will be entitled to a bonus cash payment equivalent to $1.00 per ounce of gold estimated in any resource category determined in a Preliminary Economic Assessment compliant with National Instrument 43-101. Any cash bonus payment that becomes payable will be creditable toward amounts due under the NSR agreement.

Following initial evaluation of the historical technical data base for the Gold Chain project and a field visit during the fall of 2018, an additional 14 claims were staked, bringing the total project claims to 107. These additional claims fall into an area of interest defined in the letter agreement. During January and May of 2021, the Company staked 254 new claims and during January 2023 staked 18 additional claims expanding the total land position to comprise 379 unpatented claims.

On May 13, 2021, the Company entered into a definitive lease and option to purchase agreement related to a block of patented claims, known as the Banner Group, covering 93 acres internal to the Company's pre-existing Gold Chain claim block. The definitive agreement provides up to a twenty year option period to purchase a 100% interest in the patented claims. A cash option payment of $10,000 was paid upon signing of the definitive agreement and annual cash payments are payable until the option to purchase the claims is exercised. These payments are $10,000 for the first five years ($10,000 paid April 2023); $15,000 for years six to 10; and $20,000 for years 11 to 19. The Company has the option, prior to commercial production, to purchase a 100% interest in the Banner Group claims for $1.5 million subject to a 1% NSR.

On September 23, 2021, the Company entered into a definitive lease and option to purchase agreement related to a block of patented claims, known as the Tyro Group, covering 57.4 acres internal to the Company's pre-existing Gold Chain claim block. The definitive agreement provides up to a twenty year option period to purchase a 100% interest in the patented claims. A cash payment of $30,000 (including a $20,000 signing bonus) was paid upon signing of the definitive agreement and annual cash payments are payable until the option to purchase the claims is exercised. These payments are $10,000 for each of the first five years ($10,000 paid during September 2023); and, $15,000 for each of years six to 19. The Company has the option, prior to commercial production, to purchase a 100% interest in the Tyro Group claims for $500,000. The Tyro Group claims are subject to a 1% NSR with the Company having a right of first refusal with respect to any sale of the NSR.

On January 12, 2022, the Company completed the purchase of the Sheep Trail group of patented claims. This patented ground, covers 113.2 acres and is immediately east of the Banner patented claims and now forms part of the Gold Chain project. Consideration provided for the purchase consisted of a cash payment of $250,000. There are no royalties associated with these claims and there are no further payments owing to the vendor of these patented claims.

Jefferson Canyon - Nevada, USA

On May 31, 2019, the Company entered into a definitive option agreement with Thorsen-Fordyce Merchant Capital Inc. ("Thorsen") and TF Minerals (USA) Inc. (together, the "TF parties") relating to the Jefferson Canyon gold-silver project located in Nye County, Nevada. The agreement covers 57 unpatented claims located approximately nine kilometres northeast of Kinross's Round Mountain gold mine. On May 29, 2020, the Company and the TF parties entered into an amended option agreement which extended the timeframe for certain cash payments and exploration expenditures.

Under the terms of the amended option agreement the Company can earn a 100% interest in 28 claims forming part of the Jefferson Canyon property held directly by the TF parties by making: (i) an initial common share payment to the TF parties valued at $25,000 upon receipt of TSX Venture Exchange approval (67,000 common shares and cash of $275 paid during June 2019); (ii) seven additional annual payments valued at $25,000 each on May 31, 2020, through 2026, which may be paid in common shares and/or cash at the option of the Company; and, (iii) a cash payment by May 31, 2027, of $200,000. During June 2022, the Company issued 63,240 common shares valued at $21,063 and cash of $3,937 related to the 2022 anniversary payment. As at December 31, 2023, all required annual payments have been made.

Additionally, under the terms of the definitive option agreement, the Company has assumed responsibility for an underlying option agreement, initiated in September 2015, between Thorsen and an individual claim holder whereby Thorsen has the right to earn a 100% interest in 29 claims comprising the balance of the Jefferson Canyon project. The underlying agreement requires annual advance royalty payments by the September 14 anniversary through to 2030 or until exercise of the option to purchase. Annual advance royalty payments total $425,000 ($5,000 was paid by Thorsen with a balance of $420,000 due at initiation of the option agreement). The annual advance royalty payment schedule comprises $10,000 due September 2019 (paid), $15,000 in 2020 (paid), $20,000 in 2021 (paid), after which the annual payment increases by $5,000 per year until 2026 and is followed by four annual payments of $50,000 for 2027 to 2030. In September 2022, the Company paid $25,000 in cash with respect to the annual advance royalty payment. The option to acquire a 100% interest in the 29 claims is exercisable at any time during its term, up until March 14, 2032, by paying a purchase price of $500,000. Any advance royalty payments paid and the purchase price are creditable against future net smelter return royalties payable.

The Company is responsible for annual claim maintenance fees and committed to minimum exploration work expenditures of $100,000 by the third anniversary of the agreement on May 31, 2022 that was met in 2020. Additionally, the 28 claims held by the TF parties are subject to a 3% net smelter return royalty and the 29 underlying claims are also subject to a 3% NSR. Each of these NSR obligations are subject to separate buyback provisions whereby up to 2% of each NSR can be purchased by the Company for $1 million for each 1%.

On October 13, 2022, the Company entered into an Exploration and Option Agreement ("Agreement") with Kinross Gold USA Inc., a wholly owned subsidiary of Kinross Gold Corporation (together, "Kinross"), on its Jefferson Canyon Gold-Silver project located in Nevada, USA. The term of the Agreement is four years commencing from receipt of the pending drill permit, with a potential extension of up to two years, subject to certain conditions.

Under the terms of the Agreement, Kinross is required to pay the Company an annual lease payment of $75,000 and a $50,000 signing bonus. These initial payments totalling $125,000 were received during October 2022. During October 2023, the Company received $75,000 from Kinross related to the 2023 lease payment. Kinross is also required to spend $600,000 in exploration work on the property or pay the amount of any shortfall to the Company should they not spend the required amount by the time the Agreement expires. Additionally, Kinross will be responsible for annual payments on existing option agreements and annual payments to keep the unpatented claims in good standing.

During the term of the Agreement, upon satisfying the minimum exploration expenditure requirement, Kinross has the option to acquire 70% of the project for a cash payment of $5,000,000 to the Company after which a joint venture LLC would be formed. Kinross has a second option to acquire an additional 10% of the project for a further payment of $5,000,000 to the Company. If either of these options are exercised and a joint venture is formed, if either party's interest is diluted to 10% or less, it shall relinquish its interest to the other party in return for a 1% net smelter return royalty.

Tip Top Gold - Nevada, USA

On July 24, 2020, the Company closed an amalgamation agreement for the acquisition of Territory. Territory's key asset is the Tip Top Gold project comprised of 22 unpatented mining claims (at the time of acquisition) covering approximately 173 hectares located in Esmeralda County, Nevada USA. The Tip Top Gold project is subject to an agreement of purchase and sale whereby the Company had the right to acquire a 100% interest in the project. To complete the acquisition of a 100% interest, the Company was required to issue the vendor shares equal to a value of $175,000 on or before May 12, 2021 (238,875 common shares issued on May 11, 2021), and pay an amount of $25,000 in cash on each of the first, second and third anniversaries of May 12, 2021 ($25,000 paid April 2023 and May 2022). The vendor retains a 1% net smelter return royalty on the property and the Company is obligated to pay the vendor a cash payment of $200,000 within 30 days of completion of a bankable feasibility study on the Tip Top Gold project. The Company may purchase the NSR royalty at any time by paying the vendor $1 million.

During September 2020, the Company staked 121 additional claims at the Tip Top Gold project. This new staking increased the land position from 22 claims to a total of 143 claims covering approximately 1,062 hectares in total area.

Greyhound - Nunavut, Canada

During June 2006, the Company initiated its Greyhound project in the central Churchill region of Nunavut, Canada, staking 10 claims for a total of 10,451 hectares. From 2008 to 2011, the Company increased its land holdings in the Whitehills area to a total of 57 claims comprising over 55,000 hectares. Since that time, a total of 42 claims have lapsed. Currently, the Company holds 15 claims covering approximately 15,123 hectares. Of these claims, 13 are subject to a joint operating agreement with Agnico Eagle Mines Limited ("Agnico Eagle") (see below). These 13 claims have been converted to mining leases under Nunavut Mining Regulations.

During June 2014, the Company entered into a definitive option agreement with Agnico Eagle which allowed Agnico Eagle to earn an interest in 13 claims comprising the majority of the Greyhound project. Under the terms of the option agreement, over the first three years of the agreement, Agnico Eagle had the exclusive right to earn an undivided 51% ownership interest by meeting annual commitments that totalled CDN$210,000 in cash payments to the Company and incurring CDN$1,750,000 in exploration work expenditures on the project.

Agnico Eagle completed all requirements to earn a 51% interest effective June 1, 2017. From June 1, 2017 forward, the 13 claims became subject of a joint operating agreement between the Company and Agnico Eagle. Work programs are to be established by a management committee comprised of one representative from each of the Company and Agnico Eagle. If either party to the joint operating agreement fails to fund its pro-rata share of approved exploration programs its interest in the project will be diluted on a pro-rata basis.

If any party's interest in the project falls below 10% then that party will forfeit their 10% interest and in return will receive a 2% NSR. The other party may at any time purchase one-half of the NSR, namely a 1% NSR, for an amount of CDN$2,000,000. Agnico Eagle is the operator of the project.

As at December 31, 2023, the Company's ownership interest in the Greyhound project was 32.3%.

Taviche - Oaxaca, Mexico

The Company held a 20% free-carried interest in the Taviche project located in Oaxaca State, Mexico. The Taviche project is comprised of the Higo Blanco concession covering 986 hectares and is subject to a 1.5% NSR held by Maverix Metals Inc. and a 1% NSR in favour of the Mexican Geological Service.

During January 2019, the Company entered into a definitive agreement with Minaurum Gold Inc. ("Minaurum") and its Mexican subsidiary whereby Minaurum would acquire an initial 80% interest in the Taviche project for the following consideration: (i) the issuance of 100,000 common shares of Minaurum (received April 2019); (ii) the reimbursement of all Taviche project concession fees paid by the Company during 2018 and payment of the remaining concession fees to bring the property into good standing until January 31, 2019, to a maximum of $80,000 (cash of $39,452 received April 2019); and, (iii) the issuance of an additional 100,000 common shares of Minaurum upon receiving all relevant approvals and consents required to be obtained for the commencement of exploration and drilling activities at the Taviche project. During January 2021, Minaurum announced that it had entered into an option agreement for the Taviche project with Fortuna Silver Mines Inc. Fortuna's Mexican subsidiary is operator of the project.

Additionally, the Company granted Minaurum an exclusive option to acquire the remaining 20% of the Taviche project for a purchase price of CDN$1,000,000. Until exercise of this option, the Company's 20% interest was free-carried with no obligation to co-finance project costs and was not subject to dilution.

On August 17, 2022, Minaurum exercised its exclusive option to acquire the remaining 20% interest in the Taviche project. Upon completion of the option exercise in accordance with its terms and along with certain other transactions between the parties, the Company paid CDN$800,000 for a full and final release regarding any claims associated with the project to Minaurum. This resulted in net cash received of $152,178 (CDN$200,000) during 2022, in addition to a full and final release regarding any claims in respect of the Taviche project.

7. Accounts payable and accrued liabilities

	December 31, 2023 $	December 31, 2022 $
Trade accounts payable	151,980	53,461
Accrued liabilities	43,846	32,000
	195,826	85,461

8. Promissory notes

On August 12, 2022, the Company entered into unsecured promissory note agreements for up to CDN$230,000 in aggregate for loans from officers of the Company. The promissory notes bore interest at a rate of 10% per annum and were repayable on demand with earlier repayment at the option of the Company. Accrued interest on promissory notes was only paid on money loaned to the Company and was disclosed as a general and administrative expense in the statement of operations and comprehensive loss. There were no other payments, securities or warrants associated with these promissory notes. On November 11, 2022, the Company settled the promissory notes in full with a cash payment of $66,397 which included accrued interest of $1,849.

9. Capital stock

Authorized

The Company is authorized to issue an unlimited number of common shares, having no par value, and an unlimited number of preference shares, having no par value, in one or more series with the rights, privileges and conditions as determined by the Board of Directors at the time of issuance.

Issued

Share consolidation
On April 22, 2024, the Company effected the Share Consolidation. All share and per share amounts in these consolidated financial statements have been retroactively adjusted to reflect the Share Consolidation.

Share issuances during fiscal 2023
On August 14, 2023, the Company issued 206,255 common shares valued at $48,000 for the fifth anniversary payment with respect to the Gold Chain project (see note 6).

On June 8, 2023 and July 26, 2023, the Company closed a private placement financing in two tranches issuing 1,531,046 units at CDN$0.30 per unit for gross proceeds of $344,837 (CDN$459,314). Each unit consisted of one common share of the Company and one whole common share purchase warrant. Each warrant issued entitles the holder to purchase one common share of the Company at a price of CDN$0.50 per share for a period of 24 months following the date of issuance. In connection with the private placement, the Company paid eligible finders cash commissions of $159 (CDN$210) and an aggregate of 700 finders' warrants. Each finders' warrant entitles the finder to acquire one common share having the same terms as the warrants issued to investors.

Share issuances during fiscal 2022
On November 18, 2022 the Company closed a private placement financing issuing 2,706,640 units at CDN$0.35 per unit for gross proceeds of $710,291 (CDN$947,324). Each unit consisted of one common share of the Company and one whole common share purchase warrant. Each warrant issued entitles the holder to purchase one common share of the Company at a price of CDN$0.50 per share until November 18, 2025. In connection with the private placement, the Company paid eligible finders cash commissions of $10,129 (CDN$13,843) and an aggregate of 39,550 finders' warrants. Each finders' warrant entitles the finder to acquire one common share having the same terms as the warrants issued to investors.

On June 15, 2022, the Company issued 63,240 common shares valued at $21,063 for the fourth anniversary payment with respect to the Jefferson Canyon project (see note 6). On July 29, 2022, the Company issued 213,054 common shares valued at $48,000 for the fourth anniversary payment with respect to the Gold Chain project (see note 6).

Warrants

On June 8, 2023 and July 26, 2023, the Company issued a total of 1,531,046 warrants in connection with a private placement. These warrants are exercisable at CDN$0.50 per share and expire 24 months after issuance date. These warrants were recorded at a value of $102,086. These warrants are callable during the 24-month period, at the option of the Company, in the event that the 20-day volume-weighted average price of the Company's common shares meet or exceeds $0.80 for ten consecutive trading days based on trades on the TSX Venture Exchange and Alternative Trading Systems. Subscribers will be notified of the call provision being triggered and will have a 30-day period to exercise the warrants.

During November 2022, the Company issued 2,706,640 warrants in connection with a private placement. These warrants are exercisable at CDN$0.05 per share and expire on November 18, 2025. These warrants were recorded at a value of $204,204. In addition, 39,550 broker warrants exercisable at CDN$0.50 per share expiring November 18, 2025 were issued to finders. These broker warrants were valued at $4,189. The warrants are callable during the 36 month period, at the option of the Company, in the event that the 20-day volume-weighted average price of the Company's common shares meet or exceeds CDN$0.80 for ten consecutive trading days based on trades on the TSX Venture Exchange and Alternative Trading Systems. Subscribers will be notified of the call provision being triggered and will have a 30-day period to exercise the warrants.

During April 2023, a total of 2,829,625 warrants exercisable at CDN$0.80 and CDN$1.20 expired. During November 2022, a total of 145,660 warrants exercisable at CDN$1.50 expired. During July 2022, a total of 1,313,866 warrants exercisable at CDN$1.00 expired. During May of 2022, a total of 440,000 warrants exercisable at CDN$0.70 expired.

The fair value of warrants has been estimated using the Black-Scholes option pricing model and this value has been presented as a separate component of shareholders' equity. The assumptions used for the valuation of warrants during fiscal 2023 and 2022 were as follows:

	2023	2022
Expected volatility	99% - 100%	112%
Expected life (in years)	2	3
Risk-free interest rate	4.55% - 4.76%	3.7%
Expected dividend yield	0%	0%

As at December 31, 2023, details with respect to outstanding warrants are as follows:

Number	Exercise price (CDN$)	Expiry
700,000	$0.50	June 8, 2025
831,746	$0.50	July 26, 2025
2,746,190	$0.50	November 18, 2025
1,086,337	$1.00	December 15, 2024
5,364,273	$0.60	

Compensation options and compensation option warrants

The Company has previously provided compensation options to agents who refer investors to the Company. Compensation options are exercisable into equity instruments having the same attributes as those purchased by the referred investor. On May 29, 2022, a total of 9,600 compensation options exercisable at CDN$0.50 per share expired. As at December 31, 2023, no compensation options remain outstanding.

Stock options

On July 8, 2005, the Company's shareholders approved the creation of the Company's stock option plan (the "Fixed Plan"). Eligible participants in the Plan include directors, officers, employees and consultants to the Company. The exercise price of the options granted under the Plan is fixed by the Board of Directors but may not be less than the Discounted Market Price, as that term is defined by the TSX Venture Exchange, of the shares at the time the option is granted. Options granted under the Fixed Plan typically have a five year life subject to earlier expiry upon the termination of the optionee's employment or the optionee ceasing to be a director or officer of the Company. The vesting period of options is determined by the Board of Directors at the time of grant. On June 27, 2019, disinterested shareholders of the Company approved an amendment to the Fixed Plan to increase the maximum number of common shares reserved for issuance under the Plan from 194,000 to 370,000.

On June 30, 2020, Company shareholders approved the new Stock Option Plan 2020 (the "10% Rolling Plan"). The features of the 10% Rolling Plan are similar to the Fixed Plan except that the maximum number of stock options issuable under the 10% Rolling Plan are equal to 10% of the Company's outstanding common shares from time to time. In combination, stock options issuable under the Fixed Plan and the 10% Rolling Plan cannot exceed 10% of the Company's outstanding common shares.

Activity with respect to stock options is summarized as follows:

	Number	Weighted-average exercise price CDN $	Expiry
Balance, December 31, 2021	1,181,000	0.91	April 2022 to February 2031
Expired	(46,000)	3.50	April 2022
Balance, December 31, 2022	1,135,000	0.80	April 2022 to February 2031
Granted	30,000	0.50	December 2028
Forfeited	(30,000)	0.82	July 2026 to August 2030
Balance, December 31, 2023	1,135,000	0.80	June 2024 to February 2031

As at December 31, 2023 outstanding stock options are as follows:

Options outstanding			Options exercisable		
Exercise price CDN $	Number of options	Weighted-average remaining contractual life (years)	Number of options	Weighted-average remaining contractual life (years)	Expiry
0.50	30,000	5.0	30,000	5.0	December 19, 2028
0.50	120,000	0.4	120,000	0.4	June 4, 2024
0.80	585,000	6.7	585,000	6.7	August 29, 2030
0.85	300,000	2.5	300,000	2.5	July 1, 2026
1.00	50,000	7.1	50,000	7.1	February 12, 2031
1.10	50,000	6.7	50,000	6.7	September 24, 2030
	1,135,000	4.9	1,135,000	4.9	

As at December 31, 2022, a total of 1,350,000 stock options were exercisable.

During the year ended December 31, 2023, the Company recorded a total of $4,751 (2022 - $Nil) related to stock based compensation with respect to stock options. As at December 31, 2023, no balance remains to be expensed relating to past stock option grants. Stock based compensation amounts are included in shareholders' equity as contributed surplus.

10. Income taxes

For the years ended December 31, 2023 and 2022 the expected provision for (recovery of) income tax based on the combined Canadian federal and provincial income tax rate is reconciled to the Company's reported provision for (recovery of) income taxes as follows:

	2023 $	2022 $
Loss before income taxes	(420,385)	(504,346)
Statutory rate	26.50%	26.50%
Expected recovery of income tax	(111,402)	(133,652)
Permanent differences	107	313
Foreign tax rate difference	8,016	2,585
Effect of exchange rate differences	(37,864)	93,745
Adjustment in respect of prior years	-	10,052
Origination and reversal of timing differences	141,143	26,957
Provision for (recovery of) income taxes	-	-

Significant components of the Company's unrecognized deferred income tax assets are as follows:

	2023 $	2022 $
Unrecognized deferred income tax assets		
Non-capital loss carry forwards	2,340,179	2,152,165
Share issue costs	21,210	27,794
Asset basis differences and tax effect of flow-through shares	798,237	835,604
	3,159,626	3,015,563

As at December 31, 2023, no deferred tax asset was recognized related to these amounts. As at December 31, 2023, the Company has loss carry forward balances which are available to offset future years' taxable income. These carry forward balances expire as follows:

Years of expiry	Canada $	United States $	Total $
2026 - 2030	1,953,000	-	1,953,000
2031 - 2035	2,116,000	-	2,116,000
2036 - 2040	2,615,000	2,000	2,617,000
2041 - 2043	1,923,000	280,000	2,203,000
	8,607,000	282,000	8,889,000

11. Related party transactions and compensation of key management and directors

Key management includes all persons named or performing the duties of Chief Executive Officer, President, Chief Financial Officer, Vice-President and the directors of the Company. Compensation awarded to key management and directors included:

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Management and director fees	259,467	339,070
Stock based compensation	4,751	-
	264,218	339,070

As at December 31, 2023, a total of $119,351 (December 31, 2022 - $47,945) is included in accounts payable and accrued liabilities with respect to amounts for compensation and expenses due to Company officers and directors. During August 2022, the Company entered into promissory note agreements for loans from officers of the Company (see note 8). A company controlled by the Company's Chief Financial Officer also provides bookkeeping, accounting and administrative services to the Company. For the year ended December 31, 2023, a total of $19,042 (2022 - $6,225) was charged for bookkeeping, accounting and administrative services.

The Company has management service agreements with each of its Chief Executive Officer, Chief Financial Officer, Vice President Exploration and its Executive Chairman which provide for a payment upon termination without cause. The Chief Executive Officer would be entitled to twelve months' compensation equivalent to CDN$120,000. The Chief Financial Officer would be entitled to a lump sum of CDN$60,000. The Vice President Exploration would be entitled to a lump sum of $60,000. The Executive Chairman would be entitled to twelve months' compensation equivalent to CDN$60,000.

The service agreements for the Chief Executive Officer, Chief Financial Officer, Vice President Exploration and Executive Chairman also provide that under certain conditions, including a change in control of the Company, that each of these individuals would be entitled to a lump sum payment. With respect to the Chief Executive Officer and Executive Chairman, these payments are equivalent to twenty-four months of compensation equivalent to CDN$240,000 and CDN$120,000, respectively. The Chief Financial Officer would be entitled to a lump sum of CDN$120,000 and the Vice President Exploration would be entitled to a lump sum of $120,000.

12. Financial instruments and risk management

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest rate or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation. The Company examines the various financial risks to which it may be exposed and assesses the impact and likelihood of those risks. The Company may be exposed to various financial risks related to credit risk, liquidity risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors of the Company.

Credit risk
Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash. The Company's cash is held with a major Canadian financial institution. The maximum exposure is equivalent to the carrying amounts. The Company does not consider any of its financial assets to be impaired.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (see note 1). The Company manages liquidity risk through monitoring cash outflows due in its day-to-day business and by regular cash flow forecasting of cash requirements to fund exploration projects and operating costs. As at December 31, 2023, the Company's liabilities include trade accounts payable and accrued liabilities most of which are due within normal trade terms of generally 30 days.

Currency risk
The Company is primarily exposed to financial risk arising from fluctuations in foreign exchange rates with respect to the United States dollar. As at December 31, 2023, the Company held cash in United States dollars of $40,566 (2022 - $25,804). The Company has not utilized derivative instruments to reduce its exposure to foreign currency risk.

During the year ended December 31, 2023, approximately 20.6% (2022 - 11.5%) of the Company's operating expenses were not denominated in the functional currency and were denominated in United States dollars. The Company's property costs for the Gold Chain, Jefferson Canyon and the Tip Top projects are denominated in United States dollars. The Company has completed a sensitivity analysis to estimate the impact on net loss that a change in the United States / Canadian dollar foreign exchange rate would have. For the year ended December 31, 2023, with all other variables held constant, a plus or minus 10% change in the United States / Canadian dollar exchange rate would give rise to a change in reported net loss of plus or minus $8,663 (2022 - $7,553).

Interest rate risk
Financial instruments that expose the Company to interest rate risk have periodically included cash equivalents and short-term investments invested in guaranteed investment certificates. As at December 31, 2023, the Company did not hold any short-term investments. Fluctuations in market interest rates during 2023 or during 2022 would not have had a material impact on the Company's financial results.

13. Segmented information

The Company presents and discloses segmented information based on information that is regularly reviewed by the Company's President and CEO who is the chief operating decision-maker. The President & CEO has primary responsibility for allocating resources to the Company's operating segments and assessing their performance. The Company's operations comprise one reportable segment being the exploration and development of mineral resource properties. The Company's corporate and administrative offices are in Canada. The Company's exploration activities are focused on projects in the United States and Canada; therefore, any exploration and evaluation assets would be located in those countries.

14. Capital structure

The Company's capital structure is comprised of shareholders' equity. The Company is not subject to externally imposed capital requirements. The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations and to finance its exploration activities and general corporate costs.

The Company monitors its capital structure using future forecasts of cash flows, particularly those related to its exploration programs.

The Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Company may adjust its exploration programs, operating expenditure plans, or issue new common shares and warrants. The Company's capital management objectives have remained unchanged over the periods presented in these consolidated financial statements.

(expressed in U. S. dollars)

15. Supplemental cash flow information

Non-cash transactions not reflected in the consolidated statements of cash flows are as follows:

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	9,080	15,552
Common shares issued for exploration and evaluation assets	48,000	69,063
Effect of changes in foreign exchange rates on promissory notes	-	(2,985)

16. Subsequent events

On April 11, 2024, the Company announced the initiation of a non-brokered private placement financing to raise gross proceeds of up to CDN$1,000,000, comprising 4,000,000 units, at CDN$0.25 a unit. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of CDN$0.30 per share for a period of 24 months following the date of issuance. Additionally, the warrants will be callable during the 24-month period, at the option of the Company, in the event that the 20-day volume-weighted average price of the Company's common shares meet or exceeds CDN$0.50 for ten consecutive trading days based on trades on the TSX Venture Exchange and Alternative Trading Systems. Subscribers will be notified of the call provision being triggered and will have a 30-day period to exercise the warrants.