# ALTAIR RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2023

*(Unaudited - Expressed in Canadian Dollars)*

**NOTICE OF NO AUDITOR REVIEW OF**
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

# ALTAIR RESOURCES INC.
## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
*(Unaudited - Expressed in Canadian Dollars)*

| | Note | September 30, 2023 $ | March 31, 2023 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash | | 99 | 5,019 |
| GST receivable | | 4,768 | 2,297 |
| Prepaid expenses | | 2,791 | 2,674 |
| **TOTAL ASSETS** | | 7,658 | 9,990 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | 6 | 2,091,714 | 1,952,075 |
| Advances | 6(c) | 117,330 | 36,772 |
| **TOTAL LIABILITIES** | | 2,209,044 | 1,988,847 |
| **SHAREHOLDERS' DEFICIT** | | | |
| Share capital | 5 | 18,533,506 | 18,533,506 |
| Share-based payments reserve | | 3,852,846 | 3,852,846 |
| Deficit | | (24,587,738) | (24,365,209) |
| **TOTAL SHAREHOLDERS' DEFICIT** | | (2,201,386) | (1,978,857) |
| **TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT** | | 7,658 | 9,990 |

**Nature of Operations and Going Concern** - see Note 1

**Event after the Reporting Period** - See Note 8.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 24, 2023 and are signed on its behalf by:

*/s/ **George S Young***
George S. Young
Director

*/s/ **Michael G. Nelson***
Michael G. Nelson
Director

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

## ALTAIR RESOURCES INC.
### CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
*(Unaudited - Expressed in Canadian Dollars)*

| | Note | Three Months Ended September 30, 2023 $ | Three Months Ended September 30, 2022 $ | Six Months Ended September 30, 2023 $ | Six Months Ended September 30, 2022 $ |
|---|---|---|---|---|---|
| **Expenses** | | | | | |
| Accounting and administration | 6(b) | 11,800 | 15,700 | 19,150 | 24,700 |
| Audit | | 17,000 | 15,000 | 17,000 | 25,000 |
| Bank charges | | 317 | 286 | 571 | 726 |
| Consulting | | 12,000 | 12,000 | 24,000 | 60,178 |
| Corporate development | | - | - | - | 17,783 |
| Director and officer compensation | 6(a) | 51,000 | 58,500 | 102,000 | 133,500 |
| General exploration | 4(a) | 17,498 | 17,093 | 25,636 | 24,752 |
| Legal | | 4,766 | - | 5,051 | 11,489 |
| Office | | 345 | 1,021 | 639 | 1,438 |
| Regulatory fees | | 4,121 | 1,300 | 5,527 | 2,600 |
| Transfer agent fees | | 868 | 1,494 | 1,531 | 2,834 |
| Travel | | - | - | 1,464 | 28,629 |
| Website | | - | 4,324 | 3,366 | 9,306 |
| | | 119,715 | 126,718 | 205,935 | 342,935 |
| **Loss before other items** | | (119,715) | (126,718) | (205,935) | (342,935) |
| **Other items** | | | | | |
| Accrued interest on default judgement | 4(d) | (7,634) | (7,802) | (15,279) | (15,068) |
| Foreign exchange | | (12,962) | (30,715) | (1,315) | (44,721) |
| Write-off of exploration and evaluation assets | 4(b) | - | - | - | (5,046) |
| | | (20,596) | (38,517) | (16,594) | (64,835) |
| **Net loss and comprehensive loss for the period** | | (140,311) | (165,235) | (222,529) | (407,770) |
| **Basic and diluted loss per common share** | | $(0.00) | $(0.00) | $(0.00) | $(0.01) |
| **Weighted average number of common shares outstanding** | | 57,266,624 | 53,711,624 | 57,266,624 | 53,542,380 |

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

# ALTAIR RESOURCES INC.
## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
*(Unaudited - Expressed in Canadian Dollars)*

| | Six Months Ended September 30, 2023 | | | | |
|---|---|---|---|---|---|
| | Share Capital | | | | |
| | Number of Shares | Amount $ | Share-based Payments Reserve $ | Deficit $ | Total Shareholders' Deficit $ |
| **Balance at March 31, 2023** | 57,266,624 | 18,533,506 | 3,852,846 | (24,365,209) | (1,978,857) |
| Net loss for the period | - | - | - | (222,529) | (222,529) |
| **Balance at September 30, 2023** | 57,266,624 | 18,533,506 | 3,852,846 | (24,587,738) | (2,201,386) |

| | Six Months Ended September 30, 2022 | | | | |
|---|---|---|---|---|---|
| | Share Capital | | | | |
| | Number of Shares | Amount $ | Share-based Payments Reserve $ | Deficit $ | Total Shareholders' Deficit $ |
| **Balance at March 31, 2022** | 52,529,624 | 18,176,076 | 3,899,871 | (23,751,487) | (1,675,540) |
| Common shares issued for: | | | | | |
| - private placement | 182,000 | 20,020 | - | - | 20,020 |
| - warrants exercised | 1,000,000 | 60,000 | - | - | 60,000 |
| Net loss for the period | - | - | - | (407,770) | (407,770) |
| **Balance at September 30, 2022** | 53,711,624 | 18,256,096 | 3,899,871 | (24,159,257) | (2,003,290) |

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

**ALTAIR RESOURCES INC.**
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**
*(Unaudited - Expressed in Canadian Dollars)*

| | Six Months Ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| | $ | $ |
| **Operating activities** | | |
| Net loss for the period | (222,529) | (407,770) |
| Adjustments for: | | |
| Accrued interest on default judgment | 15,279 | 15,068 |
| Write-off of evaluation and exploration assets | - | 5,046 |
| Changes in non-cash working capital items: | | |
| GST receivable | (2,471) | (276) |
| Prepaid expenses | (117) | 29,136 |
| Accounts payable and accrued liabilities | 124,360 | 256,781 |
| **Net cash used in operating activities** | (85,478) | (102,015) |
| **Financing activities** | | |
| Issuance of common shares | - | 80,020 |
| Advances received | 80,558 | 9,000 |
| **Net cash provided by financing activities** | 80,558 | 89,020 |
| **Net change in cash during the period** | (4,920) | (12,995) |
| **Cash at beginning of period** | 5,019 | 14,351 |
| **Cash at end of period** | 99 | 1,356 |

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

## 1. Nature of Operations and Going Concern

Altair Resources Inc. (the "Company") was incorporated under the provisions of the Company Act (British Columbia) on November 17, 2005. The Company is a publicly listed company with its common shares listed on the TSX Venture Exchange ("TSXV") under the symbol "AVX" and the Frankfurt Exchange under the symbol "90A". The Company's head office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, Canada.

The Company has a history of losses with no operating revenue and, as at September 30, 2023, has a working capital deficit of $2,201,386 and an accumulated deficit of $24,587,738. The Company has no revenue streams and the Company will require significant funding to fund anticipated levels of operations and administration, fund its exploration requirements on the Simon Property, conduct due diligence and negotiations on potential mineral property interest acquisitions and retire its current indebtedness. The Company is currently relying on advances from its shareholders and officers to pay certain of its immediate indebtedness and will need to raise additional capital from the sale of common shares or other equity or debt instruments. There can be no assurance that the Company will be able to do so. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to complete any of the mineral interest acquisition agreements and continue as a going concern.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. Realization values may be substantially different from carrying values as shown and these condensed consolidated interim financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern and such adjustments may be material.

On November 22, 2023 the Company entered into an agreement, as described in Note 8.

## 2. Basis of Preparation

***Statement of Compliance***

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations, using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's consolidated financial statements for the year ended March 31, 2023.

***Basis of Measurement***

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. These condensed consolidated interim financial statements are presented in Canadian Dollars unless otherwise stated.

## 3. *Basis of Consolidation*

In addition to the Company, the condensed consolidated interim financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases. All of the Company's subsidiaries were inactive during the six months ended September 30, 2023 and fiscal 2023.

## 4. Exploration and Evaluation Assets

(a) On May 7, 2021, as amended July 6, 2021, and superseded on June 15, 2022, the Company entered into a binding letter agreement with International Millennium Mining Inc. ("Millennium"), a publicly traded company, whereby the Company can acquire a 65% interest (the "Simon Interest") in 37 unpatented lode claims and 20 patented lode claims (the "Simon Property") located in the state of Nevada. To earn the Simon Interest the Company must:

(i) issue a total of 2,500,000 common shares of the Company to Millennium by May 27, 2027, with the initial 500,000 common shares to be issued upon approval of the TSXV;
(ii) commencing August 15, 2021, pay US $2,000 per month to Millennium until May 7, 2027. During the six months ended September 30, 2023 the Company paid $16,720 (2022 - $16,252) for ongoing monthly payments made to Millennium and $8,916 (2022 - $8,500) for annual claims renewals on the Simon Property; and
(iii) incur a total of US $2,200,000 of exploration expenditures on or before June 15, 2028.

The Simon Property will be subject to a 2% net smelter return royalty ("NSR").

As at September 30, 2023 the Company had not completed its submission to the TSXV for approval and, therefore, has no legal right to the Simon Property.

(b) On June 13, 2021, as amended April 4, 2022, the Company entered into a purchase agreement (the "Marbera Agreement") with four individuals at arm's length to the Company (the "Marbera Sellers") whereby the Company can acquire a 90% interest in three gold prospects (the "Marbera Property") located in the southwest region of Burkina Faso.

Closing of the Marbera Agreement was subject to completion of due diligence procedures, TSXV approval, completion of a definitive sale and purchase agreement, obtaining adequate financing and other conditions precedent. As the Company has no legal right to the Marbera Property until closing, during fiscal 2023, the Company wrote-off the $5,046 of claims fee payments previously capitalized in fiscal 2022.

On May 15, 2023 the Company received notice from the TSXV that it had considered the Company's submission for TSXV approval to have been withdrawn for failure to provide sufficient evidence that the Marbera Agreement was proceeding. On June 23, 2023 the Company announced that it had abandoned its efforts related to the Marbera Property.

(c) On July 1, 2021 the Company entered into a preliminary purchase agreement (the "Kazakhstan Agreement") with private entities at arms-length to the Company whereby the Company could acquire up to 100% ownership interests in companies which hold two gold producing properties (the "Proposed Transaction") in Eastern and Central Kazakhstan for total consideration of US $106,000,000 (the "Purchase Consideration"), On July 30, 2021 the Company paid a deposit of $1,251,900 (US $1,000,000) (the "Deposit"), after which the Kazakhstan Agreement could only be terminated by mutual consent of all parties or by one party as a result of a material breach in another party's performance or inability to perform its obligations under the Kazakhstan Agreement.

The Company had not formally secured the requisite financing for the Proposed Transaction by March 31, 2022, and having received notice from the vendors on May 31, 2022 purporting to terminate the Kazakhstan Agreement, the Deposit was written-off during fiscal 2022.

On May 15, 2023 the Company received notice from the TSXV that the Kazakhstan Agreement was considered to have been withdrawn. On June 23, 2023 the Company announced that it had abandoned its efforts related to the Kazakhstan property.

*(Unaudited - Expressed in Canadian Dollars)*

**4. Exploration and Evaluation Assets** (continued)

(d) On June 21, 2019 the Company sold its wholly-owned subsidiary, Altair Mining Inc. ("Altair USA"), to International Silver Inc. ("ISI"). Altair USA's sole asset was the Pioche Project. ISI was to be responsible for all project costs relating to the Pioche Project. As a result, during fiscal 2020 the Company recognized a recovery of $134,234 for adjustments derecognized on sale of Altair USA.

On March 10, 2020 a complaint for breach of contract was filed against the Company for non-payment for professional services provided on the Pioche Project. No responses were submitted by the Company, Altair USA or ISI. On September 29, 2020 a default judgment (the "Default Judgment") was awarded against the Company for US $238,023 for the unpaid contract balance, accrued interest and legal costs to September 29, 2020. Accordingly, the Company recorded $403,024 (US$297,809) in accounts payable and accrued liabilities for the estimated default judgment amount, legal costs and accrued interest at March 31, 2023. A further $15,279 was recorded during the six months ended September 30, 2023 for estimated accrued interest. Pursuant to the disposition agreement ISI agreed to the transfer and guarantee of specific indebtedness of Altair USA, which included the Default Judgment. Should the creditor take legal action to enforce the judgment in British Columbia the Company may have to pay the Default Judgment, legal costs and accrued interest. The ability by the Company to recover this obligation from ISI would be doubtful and a provision has been recorded in the accounts.

**5. Share Capital**

(a) ***Authorized Share Capital***

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) ***Equity Financing***

The Company did not complete any equity financings during the six months ended September 30, 2023.

During fiscal 2022 the Company announced that it was conducting a non-brokered private placement financing of up to 25,000,000 units at $0.11 per unit. On May 26, 2022 the Company completed the final tranche and issued an additional 182,000 units for gross cash proceeds of $20,020. The Company accrued $11,715 in fiscal 2023 for additional filing costs associated with the private placement financing and the amount was included in accounts payable and accrued liabilities as at March 31, 2023 and September 30, 2023.

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at September 30, 2023 and 2022 and the changes for the six months ended on those dates, is as follows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Number | Weighted Average Exercise Price $ | Number | Weighted Average Exercise Price $ |
| Balance, beginning of period | 1,082,000 | 0.07 | 36,784,251 | 0.12 |
| Issued | - | - | 182,000 | 0.18 |
| Exercised | - | - | (1,000,000) | 0.06 |
| Expired | (182,000) | 0.18 | (22,871,071) | 0.15 |
| Balance, end of period | 900,000 | 0.05 | 13,095,180 | 0.09 |

*(Unaudited - Expressed in Canadian Dollars)*

**5. Share Capital** (continued)

As at September 30, 2023 the Company had warrants outstanding and exercisable to purchase 900,000 common shares at an exercise price of $0.05 per share, expiring February 22, 2026.

(d) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan") in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years. The number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares.

No share options were granted during the six months ended September 30, 2023 and 2022.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options outstanding at September 30, 2023 and 2022 and the changes for the six months ended on those dates, is as follows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Number of Options Outstanding | Weighted Average Exercise Price $ | Number of Options Outstanding | Weighted Average Exercise Price $ |
| Balance, beginning of period | 2,900,000 | 0.16 | 4,025,000 | 0.15 |
| Expired | - | - | (630,000) | 0.055 |
| Balance, end of period | 2,900,000 | 0.16 | 3,395,000 | 0.14 |

The following table summarizes information about the share options outstanding and exercisable at September 30, 2023:

| Number | Exercise Price $ | Expiry Date |
|---|---|---|
| 470,000 | 0.05 | November 25, 2025 |
| 2,430,000 | 0.18 | August 09, 2026 |
| 2,900,000 | | |

**6. Related Party Disclosures**

Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

(Unaudited - Expressed in Canadian Dollars)

## 6. Related Party Disclosures (continued)

(a) During the six months ended September 30, 2023 and 2022 the Company incurred the following compensation amounts to its current and former key management personnel:

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Director and management compensation | 102,000 | 133,500 |

As at September 30, 2023 $930,209 (March 31, 2023 - $828,209) unpaid key management compensation has been included in accounts payable and accrued liabilities.

(b) During the six months ended September 30, 2023 the Company incurred a total of $19,150 (2022 - $24,700) to Chase Management Ltd. (“Chase”), a private corporation owned by the Corporate Secretary of the Company, for accounting and administration services provided by Chase personnel. As at September 30, 2023 $19,642 (March 31, 2023- $5,786) remained unpaid has been included in accounts payable and accrued liabilities.

(c) The Company has been receiving ongoing advances from its shareholders and officers of the Company. During the six months ended September 30, 2023 the Company received advances totalling $80,558 (2022 - $9,000). As at September 30, 2023 $117,330 (March 31, 2023- $36,772) remained outstanding. The advances are non-interest bearing and repayable on demand.

## 7. Financial Instruments and Risk Management

***Categories of Financial Assets and Financial Liabilities***

Financial instruments are classified into one of the following following categories: fair value through profit or loss (“FVTPL”); amortized cost; and fair value through other comprehensive income. The carrying values of the Company’s financial instruments are classified into the following categories:

| Financial Instrument | Category | September 30, 2023<br>$ | March 31, 2023<br>$ |
|---|---|---|---|
| Cash | FVTPL | 99 | 5,019 |
| Investment in ISI shares | FVTPL | - | - |
| Accounts payable and accrued liabilities | Amortized cost | (2,091,714) | (1,952,075) |
| Advances | Amortized cost | (117,330) | (36,772) |

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

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

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

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

The recorded amounts for accounts payable and accrued liabilities and advances approximate their fair value. The Company’s fair value of cash under the fair value hierarchy is measured using Level 1 inputs. The fair value of investment in ISI shares has been measured using Level 3 inputs which resulted in a $nil value as at September 30, 2023 and March 31, 2023.

## 7. Financial Instruments and Risk Management (continued)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

| | Contractual Maturity Analysis at September 30, 2023 | | | | |
|---|---|---|---|---|---|
| | **Less than 3 Months $** | **3 - 12 Months $** | **1 - 5 Years $** | **Over 5 Years $** | **Total $** |
| Cash | 99 | - | - | - | 99 |
| Accounts payable and accrued liabilities | (2,091,714) | - | - | - | (2,091,714) |
| Advances | (117,330) | - | - | - | (117,330) |

| | Contractual Maturity Analysis at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | **Less than 3 Months $** | **3 - 12 Months $** | **1 - 5 Years $** | **Over 5 Years $** | **Total $** |
| Cash | 5,019 | - | - | - | 5,019 |
| Accounts payable and accrued liabilities | (1,952,075) | - | - | - | (1,952,075) |
| Advances | (36,772) | - | - | - | (36,772) |

*Market Risk*

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

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian Dollar and major transactions are primarily transacted in Canadian Dollars and US Dollars. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At September 30, 2023, 1 Canadian Dollar was equal to 0.74 US Dollar.

*(Unaudited - Expressed in Canadian Dollars)*

**7. Financial Instruments and Risk Management** (continued)

Balances are as follows:

| | US Dollars | CDN $ Equivalent |
|---|---|---|
| Cash | 73 | 99 |
| Accounts payable and accrued liabilities | (402,882) | (544,435) |
| Advance | (79,016) | (106,778) |
| | (481,825) | (651,114) |

Based on the net exposures as of September 30, 2023 and, assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's net loss being approximately $65,500 higher (or lower).

***Capital Management***

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders.

The Company's historical sources of capital have consisted of the sale of equity securities and interest income. In order for the Company to complete its acquisitions, carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed. There were no changes in the Company's management of capital.

**8. Event after the Reporting Period**

On November 22, 2023 the Company entered into an option and acquisition agreement dated November 22, 2023 (the "Agreement") with arm's length parties, Electric Metals (USA) Ltd. ("EMPL ParentCo"), its wholly owned subsidiaries Electric Metals (USA) PTY Limited ("EMPL") collectively the "Vendor"), North American Silver Corporation ("NAS") and Centennial Mining Inc. ("Centennial") in connection with the option to acquire up to 100% of the issued and outstanding shares of NAS by the Company. NAS owns Centennial which holds mineral rights and rights to acquire mineral rights in the State of Nevada in the United States of America (the "Properties").

The Agreement, which is subject to the approval of the TSXV and is considered an arms' length transaction in accordance with applicable securities legislation, provides the Company with an option to acquire the right to earn into the 9,429-acre Corcoran Canyon gold-silver project ("Corcoran") along with the Belmont gold-silver project ("Belmont") and the Belmont North gold-silver project ("Belmont North") (collectively "Corcoran" or the "Corcoran Project") in the Tonopah District in Nye County, Nevada from EMPL.

***Terms of the Agreement***

Following the completion of the first year's payments and required expenditures under the earn-in schedule more particularly described below, at any time thereafter the Company has the option to purchase the 100% interest in the Properties for $6,000,000 (plus, if not paid already under the terms of the Agreement, US $96,343 with respect to the replacement of certain bond instruments).

Under the Agreement, in order to acquire a 70% of the issued and outstanding shares of NAS, the Company must:

**8. Event after the Reporting Period** (continued)

(a) make the cash payments and issue shares as follows:

(i) on or before the date which is 30 days following the effective date of the Agreement (the "Effective Date"), pay either EMPL or NAS, as directed by EMPL, $435,052 in cash:
(ii) on or before the first anniversary of the Effective Date, pay either EMPL or NAS, as directed by EMPL, $472,500 in cash and issue such number of shares of the Company as is equal in value to $500,000;
(iii) on or before the second anniversary of the Effective Date, pay either EMPL or NAS, as directed by EMPL, US$96,343 in cash, which shall be used with respect to the replacement of certain bond instruments, and issue such number of shares as is equal in value to $1,500,000; and

(iv) on or before the third anniversary of the Effective Date, issue to either EMPL or NAS, as directed by EMPL, such number of shares as is equal in value to $2,000,000.

(b) make the following expenditures in connection with the Option (the "Expenditures"):

(i) on or before the first anniversary of the Effective Date, the Company shall have incurred Expenditures equal or greater than $622,448 for such period;
(ii) on or before the second anniversary of the Effective Date, the Company shall have incurred additional Expenditures equal or greater than $2,400,000 for such period; and
(iii) on or before the third anniversary of the Effective Date, the Company shall have incurred additional Expenditures equal or greater than $2,750,000 for such period.

Upon earning 70%, of the issued and outstanding shares of NAS, in order to earn the remaining 30% of the issued and outstanding shares of NAS, the Company must, on or before the fourth anniversary of the Effective Date:

(a) issue either EMPL or NAS, as directed by EMPL, such number of shares as is equal in value to $2,500,000; and
(b) incur additional Expenditures equal or greater than $3,000,000 for such period.

The issue price of any Company shares to be issued as provided for above in consideration of the Company earning the up to 100% interest in NAS will be calculated at the market value of the Company shares based on the lesser of (i) the ten-day volume weighted average trading price of the Company shares on the TSXV on the fifth day immediately prior to date of issuance of such Company shares; and (ii) the price per Company share in the most recent financing of the Company prior to the relevant issues date, provided that in each case such price shall not be less than the maximum discounted price permitted by the policies of the TSXV; and provided further that in no case shall the price at which any of the Company shares is issued be less than $0.10 on a post-consolidated basis.

In addition, if the issuance of any of the Company shares would "materially affect control" (as defined in the rules and policies of the TSXV) of the Company, and/or result in EMPL becoming a "control person" of the Company (as defined in the rules and policies of the TSXV), such Company shares in excess of the relevant threshold will be satisfied by a cash payment for the required value of the Company shares above the applicable threshold amount.

In the event that the Company earns a 70% interest in NAS but decides to withdraw from the Option to acquire a 100% interest in NAS, the Company and EMPL shall negotiate in good faith and enter into a joint venture shareholders' agreement (the "Joint Venture Agreement") which will set forth the agreement of the Parties regarding the formation and principal terms and conditions of the Joint Venture which shall become effective immediately.

In connection with the closing of the proposed transaction, subject to TSXV approval, the Company will undertake the following transactions, further details of which will be announced by subsequent news release:

(a) convert all debt owed to the Company directors and officers into common shares in the capital of the Company, in accordance with the policies of the TSXV (the "Debt Settlement");
(b) upon completion of the Debt Settlement, consolidate the then outstanding share capital (the "Consolidation") on the basis of 1 new common share for each 10 then existing common shares; and

**8. Event after the Reporting Period** (continued)

(c) complete, concurrently, with the closing of the transactions contemplated by the Agreement, a non-brokered financing in the context of the market, for gross proceeds to provide funds sufficient to close the transaction and to fund the first year's property payment, expenditure obligations, work commitments and working capital.