ARCWEST EXPLORATION INC.

ANNUAL FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of ArcWest Exploration Inc.

Opinion

We have audited the financial statements of ArcWest Exploration Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive loss, cash flows and changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

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

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

DMCL.

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

April 28, 2023

ARCWEST EXPLORATION INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at December 31, 2022 and 2021

	Notes	2022	2021
		$	$
Assets			
Current			
Cash and cash equivalents		1,777,274	2,361,157
Receivables and prepaids	4	123,941	137,235
Marketable securities	5	324,313	421,055
		2,225,528	2,919,447
Non-current			
Equipment, net		35,816	51,517
Exploration and evaluation assets	6	3,315,447	3,457,486
Deposits	6	205,300	118,800
Total Assets		5,782,091	6,547,250
Liabilities			
Current			
Accounts payable and accrued liabilities	7, 11	52,155	69,879
Loan payable	8	30,000	30,000
Total Liabilities		82,155	99,879
Shareholders' Equity			
Share capital	9	8,938,987	8,901,487
Share-based payment reserve	9	1,289,869	1,277,274
Deficit		(4,528,920)	(3,731,390)
Total Shareholder's Equity		5,699,936	6,447,371
Total Liabilities and Shareholders' Equity		5,782,091	6,547,250

Nature and continuance of operations (Note 1)

Subsequent event (Note 14)

Approved and authorized on behalf of the Board on April 28, 2023:

(signed) Colin O'Leary	(signed) Tyler Ruks
Colin O'Leary, Director	Tyler Ruks, Director

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

ARCWEST EXPLORATION INC.
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the years ended December 31, 2022 and 2021

	Note	2022	2021
		$	$
Office and administrative expenses			
Consulting fees		43,250	2,640
Depreciation		19,366	5,828
Director fees	11	30,000	-
Filing fees and transfer agent		21,861	26,489
General exploration		13,540	8,935
Investor relations		11,456	8,864
Professional fees		107,281	69,722
Share-based payments	9, 11	12,595	169,067
Travel		732	1,255
Wages & Administrative	11	309,296	231,289
Loss before other items		(569,377)	(524,089)
Other items			
Interest income		17,556	8,744
Other income	6	3,288	75,936
(Loss) gain on marketable securities	5	(248,997)	83,462
Loss and comprehensive loss for the year		(797,530)	(355,947)
Loss per common share			
Basic and diluted		(0.01)	(0.00)
Weighted average number of common shares outstanding			
Basic and diluted		82,815,802	82,526,150

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

ARCWEST EXPLORATION INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the years ended December 31, 2022 and 2021

	2022	2021
	$	$
Cash (used in) provided by:		
Operating activities		
Loss for the year	(797,530)	(355,947)
Items not affecting cash		
Depreciation	19,366	5,828
Share-based payments	12,595	169,067
Loss (gain) on marketable securities	248,997	(83,462)
Changes in non-cash working capital items		
Receivables and prepaids	88,514	(111,478)
Accounts payable and accrued liabilities	(17,724)	15,744
	(445,782)	(360,248)
Investing activities		
Exploration and evaluation costs	(68,681)	(67,113)
Proceeds from sale of marketable securities	20,745	362,806
Acquisition of equipment	(3,665)	(55,635)
Deposits	(86,500)	(36,800)
	(138,101)	203,258
Decrease in cash and cash equivalents	(583,883)	(156,990)
Cash and cash equivalents - beginning	2,361,157	2,518,147
Cash and cash equivalents - ending	1,777,274	2,361,157
Cash and cash equivalents consist of:		
Cash	781,034	718,841
Term deposits	996,240	1,642,316
	1,777,274	2,361,157

Supplemental cash flow information (Note 13)

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

ARCWEST EXPLORATION INC.
STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Note	Number of common shares	Share capital	Share-based payment reserve	Deficit	Total
			$	$	$	$
Balance, December 31, 2020		82,526,150	8,901,487	1,108,207	(3,375,443)	6,634,251
Share-based compensation	**9**	-	-	169,067	-	169,067
Comprehensive loss for the year		-	-	-	(355,947)	(355,947)
Balance, December 31, 2021		82,526,150	8,901,487	1,277,274	(3,731,390)	6,447,371
Shares issued in PAC Purchase Agreement	**6, 9**	451,807	37,500	-	-	37,500
Share-based compensation	**9**	-	-	12,595	-	12,595
Comprehensive loss for the year		-	-	-	(797,530)	(797,530)
Balance, December 31, 2022		82,977,957	8,938,987	1,289,869	(4,528,920)	5,699,936

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

1. NATURE AND CONTINUANCE OF OPERATIONS

ArcWest Exploration Inc. ("ArcWest" or "the Company") was incorporated under the Business Corporations Act (British Columbia) on December 23, 2010 and trades on the TSX Venture Exchange ("TSX-V") under the stock symbol "AWX". The Company is engaged in mineral exploration.

The registered and records office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8. The head office of the Company is located at suite 1000-355 Burrard Street, Vancouver, BC V6C 2G8.

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at December 31, 2022 the Company has working capital of $2,143,373 (December 31, 2021 - $2,819,568) and has a cumulative deficit of $4,528,920 at December 31, 2022 (December 31, 2021 - $3,731,390). The Company incurred operating losses for the year ended December 31, 2022 of $569,377 (December 31, 2021 - $524,089). In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustment could be material.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Accounting Standards using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the IFRS Interpretations Committee ("IFRIC").

Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flows. All dollar amounts are presented in the Company's functional currency, the Canadian dollar, unless otherwise specified.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported profit or loss during the period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Significant estimates made by management include the following:

a) Share-based payments

The estimated fair value of all share-based payments is determined at the date of grant using the Black-Scholes Option Pricing Model, and is expensed in the statement of comprehensive loss over the vesting period of the options granted. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

b) Exploration and evaluation assets

Management is required to make judgements on the status of each mineral property and the future plans with respect to finding commercial reserves. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful and most assets are likely to become impaired in future periods.

c) Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

d) Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty, and the classification of financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using the following accounting policies:

Financial instruments

a) Classification

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

The following table shows the classification of the Company's financial instruments:

	Classification IFRS 9
Cash and cash equivalents	FVTPL
Receivables	amortized cost
Marketable securities	FVTPL
Accounts payable	amortized cost
Loan payable	amortized cost

b) Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

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

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss during the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in the statement of comprehensive loss.

c) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

d) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of 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 comprehensive loss.

Valuation of equity units issued in private placements

The Company uses a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the day prior to the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction."

Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is evaluated at the cash generating unit (“CGU”) level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount of the CGU is the greater of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset between knowledgeable and willing third parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company’s incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

Share-based compensation

The Company recognizes a share-based compensation charge in operations for stock options granted to employees, officers and directors of the Company. The share-based compensation charge is based on the fair value of option awards granted, measured using the Black-Scholes Option Pricing Model at the date of issue. The fair value of stock options granted is amortized to expense on a graded basis over the vesting periods of the options granted with an off-setting amount recorded in reserves. Any expense recorded for options that are forfeited because non-market vesting conditions are not satisfied, is reversed in the period in which forfeiture occurs.

Current and deferred income taxes

Current taxes receivable or payable are estimated on taxable income for the current year at the statutory tax rates enacted or substantively enacted.

Deferred tax assets and liabilities are recognized based on the difference between the tax and accounting values of assets and liabilities and are calculated using enacted or substantively enacted tax rates for the periods in which the differences are expected to reverse. The effect of tax rate changes is recognized in profit or loss, as the case may be, in the period of substantive enactment.

Loss per share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period.

Diluted loss per share is adjusted for the dilutive effect of options, warrants and similar instruments. The dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. In the periods that the Company reports a net loss, basic per share amounts are the same basis as on a dilutive basis as the result would be anti-dilutive.

Accounting standards issued but not yet effective

Accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

(Expressed in Canadian Dollars)

4. RECEIVABLES AND PREPAIDS

	December 31, 2022	December 31, 2021
	$	$
Interest receivable	12,436	2,462
GST receivable	14,423	8,376
Prepaid expenditures	21,862	23,993
Other receivables related to work programs	75,220	102,404
	123,941	137,235

5. MARKETABLE SECURITIES

	December 31, 2022	December 31, 2021
	$	$
Beginning balance	421,055	587,899
Addition	173,000	112,500
Disposals	(20,745)	(362,806)
Realized (loss) gain on marketable securities	(4,474)	97,456
Unrealized loss on marketable securities	(244,523)	(13,994)
	324,313	421,055

The Company's accounting policy for marketable securities is to hold the common shares at fair value through profit or loss ("FVTPL") with any unrealized gains and losses being recorded in the statement of comprehensive loss.

On November 30, 2022, and April 26, 2022, a total of 400,000 and 300,000 common shares of Sanatana Resources Inc ("Sanatana") were received, respectively, by the Company pursuant to the Sanatana Earn-In and JV Agreement (Note 6). The common shares were initially valued at $28,000 and $45,000 respectively. At December 31, 2022, the 700,000 common shares held by the Company resulted in an unrealized loss of $31,000.

On April 16, 2022, May 21, 2021, and September 23, 2020, a total of 400,000 and 250,000 and 150,000 common shares of Wedgemount Resources Corp ("Wedgemount") were received, respectively, by the Company pursuant to the Eagle Property Earn-In Agreement (Note 6). The common shares were initially valued at $100,000 and $112,500 and $3,000, respectively. During the year ended December 31, 2022, a total of 25,000 common shares were sold for a realized loss of $1,649. At December 31, 2022, the remaining 775,000 common shares held by the Company resulted in an unrealized loss of $34,031. During the year ended December 31, 2021, the 400,000 common shares held by the Company resulted in an unrealized loss of $11,500.

On September 11, 2020, a total of 1,202,141 common shares of TDG Gold Corp ("TDG Gold") were received by the Company in settlement of the Option Consideration Shares as defined in the Oxide Peak Earn-In Agreement (Note 6). The common shares were initially valued at $360,642. During the year ended December 31, 2022, a total of 60,000 common shares were sold for a realized loss of $2,825. During the year ended December 31, 2021, a total of 884,500 common shares valued at $362,806 were sold for a realized gain of $97,456. At December 31, 2022, the 257,641 remaining common shares held by the Company resulted in an unrealized loss of $93,492. During the year ended December 31, 2021, the 317,641 common shares held by the Company resulted in an unrealized loss of $58,494.

On August 7, 2020, 200,000 common shares of P2 Gold Inc ("P2 Gold") were received by the Company pursuant to the Todd Creek Earn-In Agreement. (Note 6). At December 31, 2022, the 200,000 common shares held by the Company resulted in an unrealized loss of $86,000. During the year ended December 31, 2021, the 200,000 common shares held by the Company resulted in an unrealized gain of $56,000.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

As at December 31, 2022 and December 31, 2021, the Company has capitalized the following acquisition and exploration costs:

	Oweegee	Todd Creek	Oxide Peak	Eagle	Rip	Teeta Creek	Sparrowhawk	Northern Vancouver Island	Huckleberry	Total
	$	$	$	$	$	$	$	$	$	$
Balance, December 31, 2020	1,200,096	1,262,096	81,578	334,304	323,693	128,431	143,095	8,658	20,922	3,502,873
Field support	-	158	-	-	18	-	5,978	-	-	6,154
Geochemistry and geology	20,801	10,195	6,220	7,048	5,355	3,010	27,758	-	1,190	81,577
Travel and accommodation	8,232	3,625	-	1,071	6,945	-	8,290	-	-	28,163
Wages and salaries (Note 11)	67,280	26,532	25,968	25,718	41,095	16,938	26,313	4,781	6,687	241,312
	1,296,409	1,302,606	113,766	368,141	377,106	148,379	211,434	13,439	28,799	3,860,079
Option payments received	(11,500)	(150,000)	-	(109,980)	-		-	(11,471)	(28,736)	(311,687)
BC Mining Exploration Tax Credit refund	(22,134)	(26,166)	(5,443)	(7,153)	(2,899)	(9,935)	(15,145)	(1,968)	(63)	(90,906)
Balance, December 31, 2021	1,262,775	1,126,440	108,323	251,008	374,207	138,444	196,289	-	-	3,457,486
Field support	28,303	24,450	2,455	5,005	7,664	4,922	6,270	932	-	80,001
Geochemistry and geology	9,337	10,535	560	3,260	-	23,216	23,117	350	-	70,375
Travel and accommodation	-	-	-	284	-	10,227	7,120	-	-	17,631
Wages and salaries (Note 11)	19,092	43,500	7,812	9,657	7,937	33,282	27,436	5,094	-	153,810
	1,319,507	1,204,925	119,150	269,214	389,808	210,091	260,232	6,376	-	3,779,303
Option payments received	(158,540)	-	(25,000)	(121,360)	-	-	-	-	-	(304,900)
BC Mining Exploration Tax Credit refund	(34,433)	(25,407)	(10,964)	(13,573)	(17,483)	(19,111)	(35,564)	(2,421)	-	(158,956)
Balance, December 31, 2022	1,126,534	1,179,518	83,186	134,281	372,325	190,980	224,668	3,955	-	3,315,447

Todd Creek, Oweegee, and Willoughby Properties
On September 13, 2018, the Company completed the Millrock Acquisition with Millrock Resources Inc. ("Millrock") for the Todd Creek, Oweegee, and Willoughby properties. The Company completed the final option payment for Todd Creek on January 10, 2020.

The Willoughby property was sold on April 17, 2019. During the year ended December 31, 2021 the BC Mining Exploration Tax Credit allocated to the Willoughby property of $3,038 was included in other income on the Statement of Comprehensive Loss.

Oxide Peak, Eagle, Rip and Teeta Creek Properties
On September 13, 2018, the Company completed a mineral property purchase agreement with Seven Devils Exploration Ltd ("Seven Devils") for the Oxide Peak, Eagle, Rip and Teeta Creek properties. On March 5, 2019 the Company signed a purchase agreement to acquire 100% of the Eagle property.

Rip Property
The 2,308 hectare Rip Property is a copper-molybdenum porphyry prospect located in the Skeena Arch region approximately 60 km south of Houston BC.

Sparrowhawk Property
On February 26, 2019, the Company signed a purchase agreement to acquire 100% of the Sparrowhawk property located 65 kilometers northeast of Smithers in north-central British Columbia.

Northern Vancouver Island Property
During the year ended December 31, 2019, the Company staked certain claims in the Miocene porphyry copper-gold belt on northern Vancouver Island.

Huckleberry Property
During the year ended December 31, 2019, the Company staked approximately 2,525 hectares located 85 km southwest of Houston BC.

On July 29, 2021, the Company sold its Huckleberry property to Huckleberry Mines Ltd. ("Huckleberry"), a wholly owned subsidiary of Imperial Metals Corporation. Under the terms of transaction set out in the agreement, Huckleberry acquired 100% of the property for a cash payment of $50,000. The Company retained a 1.0% net smelter return royalty with no buydown provisions. As the cash payment and the BC Mining Exploration Tax Credit refund received in 2021 were more than what had been previously capitalized to the property, $28,736 was credited to the property and $24,113 was included in other income on the Statement of Comprehensive Loss.

During the year ended December 31, 2022 the BC Mining Exploration Tax Credit allocated to the property of $1,888 was included in other income on the Statement of Comprehensive Loss.

Teeta Creek Earn-In Agreement
On October 15, 2019, the Company entered into an agreement with Teck Resources Inc. ("Teck") to explore the Teeta Creek property in northern Vancouver Island, British Columbia, pursuant to which Teck could earn an initial 60% interest in the property by funding, over a three-year period, cumulative exploration expenditures of $3,000,000, including a minimum of 1,000 meters of drilling, and by making staged cash payments of $250,000. Teck was also granted the right to acquire an additional 20% interest by incurring an additional $8,000,000 in exploration expenditures. The minimum exploration expenditure of $500,000 was satisfied. During the year ended December 31, 2021, Teck relinquished its option to earn an interest in Teeta Creek.

Northern Vancouver Island Earn-In Agreement
On December 20, 2019, the Company entered into an agreement with Teck to explore certain mineral claims in northern Vancouver Island, pursuant to which Teck could earn an initial 60% interest in the property by funding, over a four-year period, cumulative exploration expenditures of $2,000,000 and by making staged cash payments of $150,000 due in annual payments of $25,000 with the last payment of $50,000 due on January 15, 2024. Teck was also granted the right to acquire an additional 20% interest by incurring an additional $6,000,000 in exploration expenditures. A minimum exploration expenditure of $150,000 was required and satisfied as at January 15, 2021. During the year ended December 31, 2019, $25,000 in cash was received. During the year ended December 31, 2021 a further $25,000 in cash was received. As the option payment received in 2021 and BC Mining Exploration Tax Credit refund was more than what had been previously capitalized to the property, $11,471 was credited to the property and $15,836 was included in other income on the Statement of Comprehensive Loss. During the year ended December 31, 2021, Teck relinquished its option to earn an interest in Northern Vancouver Island.

Eagle Property Earn-In Agreement
On September 23, 2020, the Company entered into an agreement with Wedgemount to explore the Eagle property situated north of Fort St. James in British Columbia. Wedgemount can earn an initial 60% interest in the property by funding, over a three-year period, a total of $2,050,000 in exploration expenditures in addition to staged cash payments totaling $110,000 and the issuance of 1,350,000 common shares. Wedgemount can also acquire an additional 20% interest by delivering a feasibility study report on the property. A minimum exploration expenditure of $50,000 was satisfied before December 31, 2020 (incurred - $82,000).

During the year ended December 31, 2020 a total of $18,000 was received ($15,000 in cash and the receipt of 150,000 Wedgemount common shares with a fair value of $3,000). During the year ended December 31, 2021 a total of $122,500 was received ($10,000 in cash and the receipt of 250,000 Wedgemount common shares with a fair value of $112,500) offset with the Company incurring a cash finder's fee of $12,520. During the year ended December 31, 2022 a total of $121,360 was received ($25,000 in cash and the receipt of 400,000 Wedgemount common shares with a fair value of $100,000 offset with the Company incurring a cash finder's fee of $3,640). On August 12, 2022, Wedgemount relinquished their option to earn an interest in the Eagle property.

Oxide Peak Earn-In Agreement
On December 22, 2019, the Company entered into an agreement with TDG Gold to explore the Oxide Peak property in northern British Columbia. TDG Gold can earn an initial 60% interest in the property by funding prior to December 31, 2022 cumulative exploration expenditures of $2,400,000, including a minimum of 1,000 meters of drilling, and by making staged cash payments of $55,000. TDG Gold can also acquire an additional 20% interest by preparing and delivering a preliminary economic assessment for the property to the Company. During the year ended December 31, 2020 a minimum exploration expenditure of $400,000 (incurred - $433,684) was satisfied and a total of $375,644 was received ($15,000 in cash and the receipt of 1,202,141 TDG Gold common shares in settlement of the Option Consideration Shares per the agreement (5% of the number of TDG Gold common shares outstanding prior to going public) with a fair value of $360,644). On December 8, 2022, TDG Gold delivered a letter and $25,000 in cash to the Company alleging that it exceeded the required cumulative exploration expenditures and was taking steps to exercise the first option. The Company is of the position that TDG Gold's expenditures do not meet the requirements of the Earn-In Agreement and therefore the cumulative exploration expenditure threshold has not been met. TDG Gold and the Company are currently in negotiations to resolve the dispute.

Todd Creek Earn-In Agreement
On July 8, 2020, the Company entered into an agreement with P2 Gold to explore the Todd Creek property in northern British Columbia, pursuant to which P2 Gold could earn an initial 51% interest in the property by funding, over a five-year period, cumulative exploration expenditure of $15,000,000 and staged payments of $1,150,000. P2 Gold was also granted the right to acquire an additional 19% interest by completing and delivering to the Company a feasibility study report. A minimum exploration expenditure of $500,000, including a minimum of 1,000 meters of diamond drilling, was fulfilled during the year ended December 31, 2020 (incurred - $1,069,168). During the year ended December 31, 2020 a total of $220,000 was received ($100,000 in cash and the receipt of 200,000 P2 Gold common shares with a fair value of $120,000). During the year ended December 31, 2021 a total of $150,000 in cash was received. On December 30, 2021, P2 Gold

(Expressed in Canadian Dollars)

relinquished its option to earn an interest in the Todd Creek project. Subsequent to December 31, 2022 the Company entered into an earn-in agreement with Freeport-McMoRan Mineral Properties Canada Inc ("Freeport"). (Note 14)

Sanatana Earn-In and JV Agreement
On July 21, 2021, the Company signed a definitive earn-in agreement (the "Agreement") whereby Sanatana can earn an initial 60% interest (the "First Option") in the Oweegee Dome project by funding, over a four-year period, cumulative exploration expenditures of $6,600,000, by making staged cash payments of $500,000 and the issuance of 2,000,000 common shares.

Upon completion of the First Option and formal written notice (the "Initial Interest Notice"), Sanatana will have a 60 day period to elect to earn an additional 20% interest, for an aggregate 80% interest (the "Second Option"), or form a Joint Venture (the "JV"). The Second Option can be attained by completing and delivering a feasibility study on or before December 31, 2027. In order to keep the Second Option in good standing, Sanatana will be obligated to pay $150,000 on each anniversary of the Initial Interest Notice until such time that the feasibility study has been completed and delivered. Following the exercise or lapse of the Second Option, the parties will form a JV to hold and operate the properties, and each party will proportionately fund or dilute the JV. In the event a decision is made by the JV to place the property into production, Sanatana shall arrange project financing, the repayment of which, shall be made out of cash flows from production. Should Sanatana or the Company's interest be diluted to less than 10%, then that interest will convert to a 2% net smelter return royalty, 1% of which may be purchased by the other party for $5,000,000 at any time.

During the year ended December 31, 2021, the Company included $32,949 in other income on the Statement of Comprehensive Loss related to management fees charged to Sanatana for exploration expenditures incurred.

During the year ended December 31, 2021 a total of $12,500 cash was received, offset with the Company incurring a cash finder's fee of $1,000. During the year ended December 31, 2022 a total of $132,500 ($87,500 in cash and the receipt of 300,000 Sanatana common shares with a fair value of $45,000), offset with the Company incurring a cash finder's fee of $1,960.

During the year ended December 31, 2022 Sanatana fulfilled the first anniversary exploration expenditures and issued 400,000 common shares at a fair value of $28,000 to keep the First Option in good standing.

Deposits
As at December 31, 2022, a total of $205,300 (December 31, 2021 - $118,800) reclamation bonds were held on behalf of the following properties: $56,500 on the Todd Creek property, $36,800 on the Teeta Creek property, $25,500 on the Oweegee property, $57,000 on the Rip property, and $29,500 on the Eagle property.

Portable Assessment Credit purchase agreement
During the year ended December 31, 2022, the Company entered into a Portable Assessment Credit purchase agreement (the "PAC Agreement") with Geofine Exploration Consultants Ltd ("Geofine"). Pursuant to the PAC Agreement, Geofine sold $2,732,415 of British Columbia Portable Assessment Credits to the Company in exchange for a cash payment of $37,500 and the issuance of 451,807 common shares of the Company (valued at $37,500). These have been recorded as field support costs in exploration and evaluation assets.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2022	December 31, 2021
	$	$
Accounts payable	25,655	34,379
Accrued liabilities	26,500	35,500
	52,155	69,879

(Expressed in Canadian Dollars)

8. LOAN PAYABLE

The Company applied for and received on November 10, 2020, $40,000 from the Canada Emergency Business Account ("CEBA") which is an interest-free loan to cover operating costs that was offered in the context of the COVID-19 pandemic outbreak by the Government of Canada. Repaying the balance of the loan on or before the prescribed repayment date will result in a loan forgiveness of $10,000. There is reasonable assurance that the Company will be able to repay the loan on or before the prescribed repayment date and receive the loan forgiveness of $10,000. Therefore, the income from the loan forgiveness of $10,000 was accrued during the year ended December 31, 2020.

During the year ended December 31, 2022, the Government of Canada extended the prescribed repayment date from December 31, 2022 to December 31, 2023.

9. SHARE CAPITAL AND RESERVES

Authorized: Unlimited common shares without par value.

Shares issued: Common shares: 82,977,957 (December 31, 2021 – 82,526,150).

On May 11, 2022 the Company issued 451,807 common shares valued at $37,500 pursuant to the PAC Agreement with Geofine. (Note 6)

During the year ended December 31, 2021 no common shares were issued.

Stock options

The Company adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
		$
Balance, December 31, 2020	6,030,000	0.15
Granted – January 13, 2021	1,940,000	0.105
Expired	(1,225,000)	0.15
Granted – October 14, 2021	975,000	0.14
Balance, December 31, 2021	7,720,000	0.13
Forfeited – March 15, 2022 (1)	(225,000)	0.105
Balance, December 31, 2022	7,495,000	0.14

(1) During the year ended December 31, 2022, an employee resigned from the Company and 225,000 non-vested options were forfeited.

(Expressed in Canadian Dollars)

As at December 31, 2022, the Company had outstanding stock options as follows:

Expiry date	Exercise price	Remaining life (years)	Options outstanding	Options exercisable
	$			
October 22, 2023	0.15	0.81	4,400,000	4,400,000
April 2, 2024	0.10	1.25	480,000	480,000
January 13, 2026	0.105	3.04	1,640,000	1,640,000
October 13, 2026	0.15	3.79	750,000	625,000
October 13, 2026	0.105	3.79	225,000	187,500

The weighted average price of options outstanding at December 31, 2022 was $0.14 and the weighted average life was 1.71 years.

On January 13, 2021, the Company granted 1,940,000 stock options to its employees and consultants. The options are exercisable at $0.105 per share for a period of five years. The fair value of the options granted was $157,983. The fair value was determined using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield - 0%, risk-free rate – 0.36%, volatility – 108.15%, forfeiture rate – 0% and expected life – 5 years.

On October 14, 2021, the Company granted 975,000 stock options to three directors with a total of 225,000 options exercisable at a price of $0.105 per option and 750,000 options are exercisable at a price of $0.15 per option for a period of five years. The fair value of $48,357 was determined using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield - 0%, risk-free rate – 1.15%, volatility – 110.31%, forfeiture rate – 0% and expected life – 5 years.

The options vest in six equal tranches, with the first tranche vesting on the date of grant and the remaining fives tranches vesting each three months after. The weighted average fair value for options granted in 2021 was $0.07.

During the year ended December 31, 2022, $12,595 was recorded as share-based payments (2021 - $169,067) on the vested options.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, December 31, 2020	39,581,100	0.15
Expired	(29,906,100)	0.15
Balance, December 31, 2021 and December 31, 2022	9,675,000	0.15

As at December 31, 2022, the Company had outstanding warrants as follows:

Expiry date	Exercise price	Remaining life (years)	Warrants outstanding
	$		
August 28, 2023	0.15	0.66	9,675,000

Share-based payment reserve

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

10. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

Financial Instruments

As at December 31, 2022, the Company's financial instruments are comprised of cash and cash equivalents, marketable securities, receivables, accounts payable, and loan payable. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

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 an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and receivables. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions. The Company's receivables primarily consist of goods and services tax receivable due from the Government of Canada which are all current. Credit risk is assessed as low.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had a cash and cash equivalents balance of $1,777,274 to settle current liabilities of $82,155. All of the Company's current financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. Liquidity risk is assessed as low.

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.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. As of December 31, 2022, the Company has an interest-bearing financial asset in the form of a GIC with a principal amount of $996,240 for a term of one year which bears interest at an average rate of 2.71% per annum. The GIC funds can be liquidated without an early redemption penalty. Interest rate risk is assessed as low.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency and is not exposed to foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian Dollars)

Capital management

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at December 31, 2022, the Company's shareholders' equity was $5,699,936 and it had $82,155 in current liabilities. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company is not subject to any externally imposed capital requirements.

11. RELATED PARTY TRANSACTIONS

Key management includes directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods. During the years ended December 31, 2022 and 2021, the Company entered into the following transactions with related parties:

- For accounting purposes, executive compensation is allocated between exploration properties (which is capitalized to exploration and evaluation assets) and administrative activities which is recorded as wages and administrative expense. During the year ended December 31, 2022 the Company paid executive compensation of $389,420 (2021 - $445,000) to the Chief Financial Officer, Chief Executive Officer, the Chief Operating Officer and the Vice President of Exploration. During the year ended, a total of $153,810 (2021 - $241,312) was capitalized to the mineral properties, $23,850 (2021 - $54,906) was charged to Sanatana and $211,760 (2021 - $148,782) was included in wages and administrative expenses.
- Director fees of $30,000 (2021 - $nil) were charged by the directors of the Company.
- Included in share-based payments is $9,643 (2021 - $105,651) relating to directors and officers of the Company.

As at December 31, 2022, $5,314 (December 31, 2021 - $14,046) was owed to related parties and included in accounts payable.

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2022	2021
	$	$
Loss for the year	(797,530)	(355,947)
Expected income recovery	(215,000)	(96,000)
Other	28,000	10,000
Change in unrecognized deductible temporary differences	187,000	86,000
Total income tax recovery	-	-

(Expressed in Canadian Dollars)

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

	2022	2021
Unrecognized deferred tax assets:	$	$
Exploration and evaluation assets	(67,000)	(50,000)
Share issue costs	6,000	17,000
Cumulative eligible capital	43,000	28,000
Unrealized (gain)/loss on marketable securities	21,000	(12,000)
Non-capital losses	1,009,000	842,000
Total unrecognized deferred tax assets	1,012,000	825,000

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2022	Expiry Date Range	2021	Expiry Date Range
	$		$	
Exploration and evaluation assets	3,068,000	No expiry date	3,274,000	No expiry date
Share issue costs	22,000	2021 to 2024	64,000	2021 to 2024
Cumulative eligible capital	160,000	No expiry date	104,000	No expiry date
Marketable securities	479,000	No expiry date	331,000	No expiry date
Non-capital losses	3,736,000	2032 to 2042	3,118,000	2032 to 2041

Tax attributes are subject to review, and potential adjustment, by tax authorities.

13. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on the current cash flows are excluded from the cash flow statements.

During the year ended December 31, 2022, the following investing and financing transactions were excluded from the cash flow statement:

- the issuance of 451,807 common shares valued at $37,500 related to the PAC Agreement (Note 6);
- the receipt of 400,000 common shares of Wedgemount with a fair value of $100,000 pursuant to the Eagle Property Earn-In Agreement (Note 5 and 6); and
- the receipt of 700,000 common shares of Sanatana with a fair valued of $73,000 pursuant to the Oweegee Property Earn-In Agreement (Note 5 and 6).

During the year ended December 31, 2021, the following investing and financing transactions were excluded from the cash flow statement:

- the receipt of 250,000 common shares of Wedgemount with a fair value of $112,500 pursuant to the Eagle Property Earn-In Agreement (Note 5 and 6).

14. SUBSEQUENT EVENT

The Company entered into an earn-in agreement with Freeport to advance the Todd Creek project (Note 6). Under the terms of the earn-in agreement, Freeport has a two-stage option to earn up to an 80% ownership interest over a ten year period. To earn an initial 51% interest, Freeport is required to fund $20,000,000 of exploration expenditures over a five year period and make staged cash payments totaling $900,000. The Company will be the operator during the initial earn-in period. Upon Freeport earning the initial 51% interest, it can elect, at its sole discretion, to earn an additional 29% ownership interest (for a total 80% interest) by funding a further $30,000,000 of exploration expenditures within the following five years and make staged cash payments totaling $750,000. Once Freeport has finalized its earned ownership interest at either the 51% or 80% level, each party will be responsible for funding its pro rata share of project costs.