O2Gold Inc.

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

McGovern
Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of O2Gold Inc.

Opinion

We have audited the consolidated financial statements of O2Gold Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of (loss)/income and comprehensive (loss)/ income, consolidated statements of changes in (deficiency)/equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has not generated significant revenues from operations during the year ended December 31, 2023 and, as of that date, the Company has a working capital deficiency. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

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

Except for the matter described in the material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

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

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

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

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

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

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

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

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

Auditor’s responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner of the audit resulting in this independent auditor's report Regina Kwong.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 23, 2024

O2Gold Inc.

Consolidated Statements of Financial Position

(In Canadian dollars)

As at:	Notes	December 31, 2023	December 31, 2022
ASSETS			
Current assets:			
Cash		$ 132,836	$ 334,566
Amounts receivable		7,827	22,267
Prepaid expenses and advances		6,567	26,821
TOTAL ASSETS		**$ 147,230**	**$ 383,654**
LIABILITIES AND (DEFICIENCY)/EQUITY:			
Current liabilities:			
Accounts payable and accrued liabilities	5	$ 340,297	$ 214,201
Total liabilities		340,297	214,201
Shareholders' (deficiency)/equity:			
Share capital	6	21,145,090	21,145,090
Contributed surplus	6	5,607,768	5,607,768
Deficit		(26,945,925)	(26,583,405)
Total shareholders' (deficiency)/equity		(193,067)	169,453
TOTAL LIABILITIES AND SHAREHOLDERS' (DEFICIENCY)/EQUITY		**$ 147,230**	**$ 383,654**
Nature of operations and going concern	1		
Commitments and contingencies	12		
Subsequent events	13		

Approved by the Board of Directors

(s) Scott Moore
Scott Moore, Director

(s) Kamaljit Gill
Kamaljit Gill, Director

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

O2Gold Inc.

Consolidated Statements of (Loss)/Income and Comprehensive (Loss)/Income

(In Canadian dollars)

	Notes	For the year ended December 31, 2023		2022	
Expenses:					
Professional and consulting fees	7	$	247,637	$	366,129
Shareholder communications and transfer agent fees			17,681		57,354
General and administrative expenses			82,938		365,392
Travel expenses			-		23,844
Foreign exchange loss/(gain)			14,264		(151,858)
Net loss from continuing operations			362,520		660,861
Discontinued operations:					
Accretion expense	10		-		233,152
Gain on disposal of property	4,10		-		(3,070,259)
Loss on disposal of property, plant and equipment			-		6,240
Exploration and evaluation expenses	4		-		814,591
Net loss/(income) from discontinued operations			-		(2,016,276)
Net and comprehensive loss/(income)		**$**	**362,520**	**$**	**(1,355,415)**
(Loss)/income per share					
From continuing operations:					
Basic and diluted		$	(0.02)	$	(0.04)
Diluted		$	(0.02)	$	(0.03)
From discontinued operations:					
Basic		$	-	$	0.12
Diluted		$	-	$	0.09
Weighted average number of common shares outstanding:					
Basic			23,439,577		16,042,317
Diluted			23,439,577		22,883,900

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

O2Gold Inc.

Consolidated Statements of Changes in (Deficiency)/Equity

(In Canadian dollars)

	Share capital		Contributed surplus	Deficit	Total shareholders' (deficiency)/ equity
	No.	$	$	$	$
Balance, December 31, 2021	13,439,577	20,839,367	5,413,491	(27,938,820)	(1,685,962)
Shares issued from private placement (Note 6)	10,000,000	305,723	194,277	-	500,000
Net income for the year	-	-	-	1,355,415	1,355,415
Balance, December 31, 2022	**23,439,577**	**21,145,090**	**5,607,768**	**(26,583,405)**	**169,453**
Net loss for the year	-	-	-	(362,520)	(362,520)
Balance, December 31, 2023	**23,439,577**	**21,145,090**	**5,607,768**	**(26,945,925)**	**(193,067)**

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

O2Gold Inc.
Consolidated Statements of Cash Flows
(In Canadian dollars)

	Notes	For the year ended December 31, 2023		2022
Cash flows used in operating activities				
Net and comprehensive loss/(income)		$ (362,520)	$	1,355,415
Items not involving cash:				
Depreciation		-		540
Loss on disposal of property, plant and equipment		-		6,240
Gain on disposal of exploration property	4,10	-		(3,070,259)
Accretion expense	10	-		233,152
Working capital adjustments:				
Change in amounts receivable		14,440		(4,599)
Change in prepaid expenses and advances		20,254		292,479
Change in accounts payable and accrued liabilities		126,096		130,055
Net cash (used in) operating activities		**(201,730)**		**(1,056,977)**
Cash flows provided by investing activities				
Proceeds on sale of property, plant and equipment		-		35,126
Net cash provided by investing activities		**-**		**35,126**
Cash flows from financing activities				
Proceeds from private placement	6	-		500,000
Net cash provided by financing activities		**-**		**500,000**
Change in cash during the year		(201,730)		(521,851)
Cash, beginning of the year		334,566		856,417
Cash, end of the year		**$ 132,836**	**$**	**334,566**
Cash flows related to discontinued operations:				
Operating activities		$ -	$	(110,751)
Investing activities		$ -	$	35,126

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

1. NATURE OF OPERATIONS AND GOING CONCERN

O2Gold Inc. ("O2Gold" or collectively with its subsidiaries, the "Company") was incorporated under the *Canada Business Corporations Act* on April 20, 2012. O2Gold's common shares are listed on the NEX Exchange, a board of the TSX Venture Exchange ("TSXV") under the symbol OTGO.H. The address of its head office and principal place of business is 198 Davenport Road, Toronto (Ontario), Canada, M5R 1J2.

The Company is an exploration company that is not currently engaged in exploration activities. See Notes 4, 10, and 13. The Company continues to seek opportunities that are beneficial to shareholders.

The Company has not generated significant revenues from operations. As at December 31, 2023, the Company has an accumulated deficit of $26,945,925 ($26,583,405 as at December 31, 2022) and a working capital deficiency of ($193,067) (working capital of $169,453 as at December 31, 2022), which is not sufficient to meet the Company's operating activities for the next twelve months. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing, to meet its existing commitments, to acquire and explore mineral properties or other opportunities, to pay for general and administrative expenses and to continue to have the support of its suppliers and creditors.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate.

While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts eventually realized for assets might be less than amounts reflected in these consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and evaluation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations as approved by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements. This requires the use of certain critical accounting estimates and requires that management exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

These consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on April 23, 2024.

Basis of consolidation

The consolidated financial statements include the accounts of O2Gold and those of its wholly owned subsidiaries: 11023926 Canada Inc. and Trinité S.A.S., a Colombian company incorporated in 2018. All intra-group transactions, balances, income and expenses are eliminated during consolidation. All subsidiaries have reporting dates of December 31.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

A subsidiary is an entity controlled by the Company. O2Gold controls an entity when the group is exposed to or has the right to variable returns from involvement with the entity and has the ability to affect these returns through its power over the entity.

On April 23, 2021, the Company completed the acquisition of Buenaventura Gold Inc. (“Buenaventura”), a Panamanian company. On August 4, 2022, the Company relinquished control of Buenaventura and deconsolidated its net assets from the financial statements of the Company. See Notes 4 and 10.

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency of the respective Company entity at the exchange rate in effect at the consolidated financial position date, whereas non-monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Revenue and expenses denominated in a foreign currency are translated at the average rate in effect during the period with the exception of depreciation, which is translated at the historical rate. Gains and losses on exchange arising from such translation are recorded to profit and loss.

Cash

Cash is comprised of cash on hand and bank balances which are subject to an insignificant risk of changes in value.

Property, plant and equipment

Property, plant and equipment items are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Depreciation is recorded on a straight-line basis at a rate of 20% per year. Depreciation is only recorded when the assets are available for use.

Exploration and evaluation expenses

Pre-exploration costs, which include costs prior to the Company’s obtaining rights to explore and evaluate a defined area are expensed as incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights and expenses related to the exploration and evaluation of mineral properties are also expensed as incurred.

Expenses related to exploration and evaluation expenses include topographical, geological, geochemical and geophysical studies, drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

(a) General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance expense in the consolidated statement of loss.

(b) Rehabilitation

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed, or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites and for exploration and evaluation assets, changes to estimated costs are recognized immediately in loss.

The Company does not currently have any such significant legal or constructive obligations and therefore, no rehabilitation provision has been recorded as at December 31, 2023 or 2022.

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. However, since the Company has no taxable income, tax expense, if any, recognized in profit or loss is currently comprised only of deferred tax.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes (continued)

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted to significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, except where they relate to items that are recognized in directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or in equity, respectively.

Basic and diluted loss per share

Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. No exercise or conversion is assumed during periods in which a net loss is incurred as the effect is anti-dilutive. Convertible instruments are not included in the calculation because they are anti-dilutive.

Share capital

Share capital represents the amount received on the issue of shares. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as contributed surplus.

Equity-settled share-based payments

The Company operates equity-settled share-based remuneration plans for its eligible directors, officers, employees and consultants. None of the Company's plans feature any options for cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. The fair value of options is determined using the Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

All equity-settled share-based payments (except agent's compensation warrants) are recognized as an expense in the profit or loss with a corresponding credit to contributed surplus, in equity. Equity-settled share-based payments to agents, in respect of an equity financing are recognized as issuance cost of the equity instrument with a corresponding credit to contributed surplus, in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unit placements

Proceeds from unit placements are allocated between shares and warrants according to their respective fair value. The Company considers the value of the units issued, the quoted price of the share at the date of issuance and the Black-Scholes pricing model to determine the relative fair value of the shares and the warrants issued.

Other elements of equity

Contributed surplus includes charges related to options and warrants. When options and warrants are exercised, the related compensation costs are transferred to share capital.

Contributed surplus includes charges related to expired options and warrants.

Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit or loss (“FVPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement- financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statements of loss. The Company’s cash and amounts receivable are recorded at amortized cost.

Subsequent measurement- financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of (loss). The Company’s does not measure any financial assets at FVPL.

Subsequent measurement- financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Subsequent measurement- financial assets at FVOCI (continued)

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive (loss) income. When the investment is sold, the cumulative gain or loss is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of (loss) when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of loans payable, net of directly attributable transaction costs.

Subsequent measurement- financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statements of loss.

Derecognitions

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

New and future accounting policies

During fiscal 2023, the Company adopted a number of new IFRS standards, amendments and improvements of existing standards. This included IAS 1. The new standards and changes did not have any material impact on the Company's financial statements.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods commencing on or after January 1, 2024. Updates that are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements:

IAS 1 – Presentation of Financial Statements ("IAS 1") was revised in January 2020 and July 2020 to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

3. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. These estimates and underlying assumptions are reviewed by management on an ongoing basis. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Significant Judgments:

Going concern
The assessment of the Company's ability to execute its strategy by funding future working capital and exploration and evaluation activities involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Areas of significant judgement in assessing whether the going concern assumption is appropriate relate to the expected timing to secure its financing on a timely basis.

3. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (CONTINUED)

Provisions
The Company records management's best estimate of the present value of the future cash requirements of any obligation related to property interests as a liability in the period in which a transaction occurs based on the net present value of the estimated future costs. This obligation is adjusted at each period end to reflect the passage of time and any changes in the estimated future costs underlying the obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. See Note 10.

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Functional currency
Functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of underlying transactions, events and conditions.

Significant estimates:

Share-based payments and warrants
The estimation of share-based payment costs and warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility determined by reference to historical data of comparable entities or historical data of the Company's shares over the expected average life of the options and warrants, the probable life of options and warrants granted and the time of exercise of those options and warrants. The model generally used by the Company is the Black-Scholes valuation model (see Note 6).

(In Canadian dollars)

4. EXPLORATION AND EVALUATION PROPERTIES

During the years ended December 31, 2023 and 2022, the Company incurred the following exploration and evaluation expenditures:

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Logistics, travel and overhead	-	814,591

Otú Centro
In 2020, the Company entered into a definitive agreement with, *inter alia*, Bullet Holding Corp., a private company, pursuant to which the Company acquired in 2021 a 100% interest in a gold mining project in Colombia known as the Otú Centro Project.

On August 4, 2022, the Company completed a settlement agreement with, among others, Bullet and Magnolia Capital LLC, pursuant to which the Company returned all of the issued and outstanding shares of Buenaventura, the holder of the rights to the Otú Centro Project. Expenses related to the Otú Centro Project have been reclassified as discontinued operations on the consolidated statements of loss/(income).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023	December 31, 2022
Trade payables	$ 280,297	$ 154,201
Accruals	60,000	60,000
	$ 340,297	**$ 214,201**

6. SHARE CAPITAL

a) Authorized

An unlimited number of voting common shares without par value.

	Number of Shares #	Amount $
Balance, December 31, 2021	**13,439,577**	**20,839,367**
Shares issued from private placement - September 2022	10,000,000	500,000
Black-Scholes warrant valuation	-	(194,277)
Balance, December 31, 2022 and 2023	**23,439,577**	**21,145,090**

On September 13, 2022, the Company completed a 10:1 share consolidation. Prior to the consolidation, the Company had 134,395,870 common shares outstanding, and following the consolidation had 13,439,577 common shares outstanding. All current and comparative common share amounts in these consolidated financial statements have been retroactively adjusted to reflect the share consolidation.

(In Canadian dollars)

6. SHARE CAPITAL (CONTINUED)

b) Private placements

On September 27, 2022, the Company completed a private placement financing consisting of 10,000,000 units at a price of $0.05 per unit for aggregate gross proceeds to the Company of $500,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant shall be exercisable into one additional common share of the Company at an exercise price of $0.075 until September 27, 2023. The fair value of the 10,000,000 warrants issued was estimated at $194,277 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.0306; expected dividend yield of 0%; expected volatility of 232% based on the Company's historical share price volatility; risk-free interest rate of 3.86% and an expected life of 1 year. Directors, officers and 10% security holders of the Company subscribed for an aggregate of 9,700,000 units, generating proceeds of $485,000.

c) Share-based payments

The Company has a stock option plan whereby the Company may grant to directors, officers, employees and consultants of the Company options to purchase shares of the Company. Options granted under the plan will be for a term not to exceed five years.

The Company also has a Restricted Share Unit Incentive Plan ("RSU Plan") whereby the Company is authorized to grant Restricted Share Units ("RSU's") under the plan to directors, officers and employees. An RSU represents the right to receive one common share of the Company on the vesting date. As the RSU's are to be settled in common shares, the value of outstanding RSU's will be included in share-based payment reserve within equity.

The number of common shares reserved for issuance pursuant to the stock option plan and the RSU plan and all other security-based compensation arrangements shall, in aggregate, not exceed 10% of the Company's issued and outstanding capital.

A summary of changes of the Company's options is presented below:

	No. of options	Weighted Average Exercise Price	Value of options
	#	$	$
December 31, 2021 and 2022	**465,000**	**2.44**	**830,725**
Expired, December 2023	(430,000)	1.00	(758,730)
December 31, 2023	**35,000**	**2.90**	**71,995**

On September 13, 2022, the Company completed a 10:1 share consolidation. Prior to the consolidation, the Company had 4,650,000 stock options outstanding, and following the consolidation had 465,000 stock options outstanding. All current and comparative stock option amounts in these consolidated financial statements have been retroactively adjusted to reflect the share consolidation.

On December 31, 2023, 430,000 options with a fair value of $758,730 expired in accordance with the Company's stock option plan.

(In Canadian dollars)

6. SHARE CAPITAL (CONTINUED)

c) Share-based payments (continued)

Options outstanding and exercisable as at December 31, 2023 are as follows:

No. outstanding	No. exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate	Share price
35,000	35,000	26-Aug-20	26-Aug-25	$ 2.90	$ 71,995	94%	5.00	0%	0.41%	$ 0.29
35,000	**35,000**				**$ 71,995**					

At December 31, 2023, the weighted-average remaining contractual life of the Company's exercisable options was 1.65 years (December 31, 2022 – 2.97 years).

d) Warrants

A summary of changes of the Company's warrants is presented below:

	No. of warrants #	Weighted Average Exercise Price $	Value of warrants $
December 31, 2021	**1,965,285**	**2.90**	**1,236,553**
Granted, September 2022	10,000,000	0.075	194,277
Expired	(66,000)	0.75	(9,514)
December 31, 2022	**11,899,285**	**0.53**	**1,421,316**
Expired	(11,899,285)	0.53	(1,421,316)
December 31, 2023	**-**	**-**	**-**

On September 13, 2022, the Company completed a 10:1 share consolidation. Prior to the consolidation, the Company had 19,652,853 warrants outstanding, and following the consolidation had 1,965,285 warrants outstanding. All current and comparative warrant amounts in these consolidated financial statements have been retroactively adjusted to reflect the share consolidation.

During the year ended December 31, 2023, 11,899,285 of the Company's warrants expired unexercised (year ended December 31, 2022- 66,000 warrants expired).

The Company has no outstanding warrants at December 31, 2023. At December 31, 2022, the weighted-average remaining contractual life of the Company's warrants was 0.67 years.

7. RELATED PARTY TRANSACTIONS

Key management includes directors and officers. The compensation paid or payable to key management during the years ended December 31, 2023 and 2022 is presented below:

	Year ended December 31,	
	2023	**2022**
	$	**$**
Consulting fees	**71,096**	**140,924**

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

7. RELATED PARTY TRANSACTIONS (CONTINUED)

Included in accounts payable and accrued liabilities as at December 31, 2023 is $8,319 (December 31, 2022: $30,000) due to a former director and officer of the Company.

Included in accounts payable and accrued liabilities as at December 31, 2023 is $176,025 (December 31, 2022: $74,325) due to 2227929 Ontario Inc. for office administration services. The former CEO of the Company is also a director of 2227929 Ontario Inc. During the year ended December 31, 2023, the Company incurred $90,000 in office administration expenses due to 2227929 Ontario Inc. (year ended December 31, 2022: $97,500).

A former director of the Company was the controlling shareholder of Bullet at the time of the settlement agreement related to the Otu Centro property. See Notes 4, 10 and 13.

Amounts owing to related parties are unsecured, non-interest bearing and due on demand.

8. FINANCIAL INSTRUMENTS

Objectives and policies concerning financial risk management

The Company considers managing risk as being an integral part of its development and diversification strategies. The Company uses a proactive and rigorous approach for the management of the financial risks to which it is exposed. The Company's management manages financial risks. The Company focuses on actively securing short to medium term cash flows by minimizing the exposures to financial markets.

The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Fair value

The Company presents fair value information of its financial assets and liabilities in the consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on significance of inputs used in measuring the fair value of the financial assets and liabilities.

The Company defines the fair value hierarchy under which its financial instruments are valued as follows:

- Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date;
- Level 2 includes inputs other than quoted prices in Level 1 that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 includes inputs for assets or liabilities that are not based on observable market data.

The carrying value of cash, amounts receivable, and accounts payable and accrued liabilities are considered to be a reasonable approximation of their fair value because of the short-term maturity and contractual terms of these instruments.

The Company does not measure any financial instruments at fair value and thus does not have any financial instruments to classify within the fair value hierarchy.

8. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risks

The Company's most significant financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk relates to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company maintains substantially all of its cash with a Canadian chartered bank, which reduces credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

Historically, the Company has generated cash flow from private placement financing. There can be no assurances that sufficient funding, including adequate financing, will be available to cover the general and administrative expenses necessary for the maintenance of a public company.

As at December 31, 2023, the Company had a working capital deficit of ($193,067) (December 31, 2022: working capital of $169,453), which included cash of $132,836 (December 31, 2022: $334,566), amounts receivable of $7,827 (December 31, 2022: $22,267) and prepaid expenses and advances of $6,567 (December 31, 2022: $26,821), offset by current liabilities of $340,297 (December 31, 2022: $214,201). The Company expects to raise additional net working capital to finance its planned activities.

Foreign currency risk

Some of the Company's purchases are denominated in foreign currencies, primarily in Colombian pesos. Consequently, certain assets and liabilities, namely cash, and accounts payable and accrued liabilities, include amounts in Colombian pesos that are exposed to currency fluctuations.

The following balance sheet items included amounts in foreign currencies at December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
	Colombian Pesos	
Cash	-	1,089,189
Amounts receivable	-	32,512,628
Accounts payable and accrued liabilities	(78,232,076)	(78,232,076)
Net balance	(78,232,076)	(44,630,259)
Equivalent in Canadian dollars (net)	**$ (26,748)**	**$ (12,476)**

A 10% strengthening (weakening) of the Canadian dollar against the Colombian peso would decrease (increase) net loss by approximately $(2,700). (2022: $(1,200)).

9. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity and current liabilities. The Company manages its capital structure and makes adjustments based on the funds available to support the development of its operations. The board of directors has not established quantitative return on capital criteria for management and relies on the expertise of management and the board of directors to sustain future development of the business.

The Company is dependent upon external financing to fund its activities. To continue to carry out the Company's planned development and funding of ongoing administrative expenses, the Company will utilize its existing working capital and will raise additional capital as appropriate.

The Company's management reviews its capital management approach on an ongoing basis and believes that it reflects a reasonable approach given the relative size of the Company. There were no changes to the approach to capital management for the years ended December 31, 2023 and 2022.

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months. On August 8, 2022, the TSXV determined that the Company no longer met the continued listing requirements for a Tier 2 listed company and the Company's listing was transferred to the NEX Exchange.

10. ACQUISITION OF EXPLORATION AND EVALUATION PROPERTIES

On April 23, 2021, the Company completed the acquisition of a 100% equity interest in Buenaventura Gold Inc. ("Buenaventura"), which owns a 100% interest in the Otú Centro Project in Colombia.

Buenaventura had been originally incorporated for the sole purpose of holding the Otú Centro Project assets.

The future obligations of $5,435,975 on the acquisition date were the net present value of the future payments, discounted at 15%. The discount rate was estimated as an appropriate rate considering discount rates of other companies in the industry. As at August 4, 2022, the future obligations were adjusted to $3,017,640 and $233,152 of accretion expenses were charged to the Company's statement of loss and comprehensive loss for the year ended December 31, 2022. The Company has returned the equity interest in the Otú Centro Project. See Note 4.

(In Canadian dollars)

11. INCOME TAXES

a) Provision for Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2022 - 26.5%) to the effective tax rate is as follows:

		2023 $	2022 $
(Loss)/Income before income taxes		(365,519)	1,355,415
Expected income tax provision (recovery) based on statutory rate		(96,000)	359,000
Adjustment to expected income tax recovery:			
Non-deductible and other		176,000	(750,000)
Change in benefit of tax assets not recognized	-	80,000	391,000
Deferred income tax provision (recovery)		-	-

b) Deferred Income Tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2023 $	2022 $
Non-capital loss carry-forwards	5,989,000	5,570,000
Equity instrument issuance costs	80,000	137,000
Exploration and evaluation expenditures	1,211,000	1,211,000
Total	7,280,000	6,918,000

Deferred income tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

c) Non-capital losses carried forward

The Company has approximately $5,989,000 of non-capital losses as at December 31, 2023 available to be carried forward against future taxable income. These non-capital losses will expire as follows:

Year	Non-Capital Loss $
2032	75,000
2033	276,000
2034	303,000
2035	45,000
2036	150,000
2037	664,000
2038	472,000
2039	502,000
2040	694,000
2041	1,520,000
2042	869,000
2043	419,000
Total	5,989,000

12. COMMITMENTS AND CONTINGENCIES

Management contracts

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $60,000 to be made upon the occurrence of certain events such as a change of control, and $180,000 due to an officer of the Company in the event the Company completes a business combination with one or more companies conducting mineral extraction operations in Antioquia, Columbia. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $63,405, due within one year.

Environmental

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

Litigation

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable, and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

13. SUBSEQUENT EVENTS

On April 15, 2024, the Company entered into a share exchange agreement (the "Agreement") with Quebec Aur Ltd., a private Ontario corporation (the "Target") and its shareholders (the "Shareholders") respecting the purchase of a gold mining exploration property in Quebec through the acquisition of 100% of the issued and outstanding shares of the Target from the Shareholders. The largest of the two Shareholders is also a >10% security holder of the Company. In addition, subsequent to December 31, 2023, the CFO of the Company became the CFO of one of the Shareholders.

Pursuant to the Agreement, upon closing, the Company will issue 5,000,000 of its common shares to the Shareholders in exchange for all of the issued and outstanding shares of the Target.