Trifecta Gold Ltd.

Financial Statements

December 31, 2023

(Expressed in Canadian Dollars)

Baker Tilly WM LLP
900 – 400 Burrard Street
Vancouver, British Columbia
Canada V6C 3B7
T: +1 604.684.6212
F: +1 604.688.3497

vancouver@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Trifecta Gold Ltd.:

Opinion

We have audited the financial statements of Trifecta Gold Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2023, and the statement of loss and comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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.

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 for the year ended December 31, 2023. 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.

We have determined the matter described below to be the key audit matters to be communicated in our auditor's report.

Key audit matter	How our audit addressed the key audit matter
Assessment of the existence of impairment indicators for mineral property interests	
Refer to note 5	Our approach to addressing the matter involved the following procedures, among others:
As at December 31, 2023, the carrying amount of the Company's mineral property interests was $3,462,592. At each reporting period, management assesses mineral property interests to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Management assesses mineral property interests for impairment based on, at minimum, the presence of any of the following indicators: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. No impairment indicators were identified by management as at December 31, 2023. We considered this a key audit matter due to the significance of the mineral property interests and the judgments made by management in their assessment of impairment indicators related to the mineral property interests. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.	Evaluating the judgments made by management in determining the impairment indicators, which included the following: • Obtained, for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. • Read the board of directors' minutes and resolutions and observed evidence supporting the continued and planned exploration expenditures, which included evaluating results of the Company's work programs. • Assessed whether available data indicates the potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Matter

The financial statements of the Company for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 23, 2023.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 IFRS Accounting 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 Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
March 26, 2024

Trifecta Gold Ltd.

Statements of Financial Position

(Expressed in Canadian Dollars)

As at December 31, 2023 and December 31, 2022

	Note	**December 31, 2023 $**	December 31, 2022 $
Assets			
Current assets			
Cash and cash equivalents	3	558,503	1,032,168
Receivables and prepayments	4	85,056	37,882
		643,559	1,070,050
Non-current assets			
Reclamation bond	5(d)	49,094	50,274
Mineral property interests	5	3,462,592	3,223,282
Total assets		**4,155,245**	4,343,606
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		23,863	21,891
Accounts payable to related parties	8	28,209	17,358
Total liabilities		**52,072**	39,249
Shareholders' equity			
Share capital	6	7,525,281	7,505,881
Reserves	6	221,647	240,086
Deficit		(3,643,755)	(3,441,610)
Total shareholders' equity		**4,103,173**	4,304,357
Total liabilities and shareholders' equity		**4,155,245**	4,343,606

Nature of operations	1
Event after the reporting period	12

Approved on behalf of the Board of Directors on March 26, 2024:

"Rachele Gordon" **Director** *"Kai Hoffmann"* **Director**

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

Trifecta Gold Ltd.

Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

For the years ended December 31, 2023 and December 31, 2022

	Number of shares #	Share capital $	Reserves $	Deficit $	Total shareholders' equity $
January 1, 2022	80,099,286	7,505,881	391,709	(2,956,268)	4,941,322
Re-allocated on expiration of options	-	-	(197,270)	197,270	-
Share-based payments	-	-	45,647	-	45,647
Loss and comprehensive loss for the year	-	-	-	(682,612)	(682,612)
December 31, 2022	80,099,286	7,505,881	240,086	(3,441,610)	4,304,357
January 1, 2023	80,099,286	7,505,881	240,086	(3,441,610)	4,304,357
Re-allocated on cancellation of options	-	-	(1,007)	1,007	-
Re-allocated on expiration of warrants	-	19,400	(19,400)	-	-
Share-based payments	-	-	1,968	-	1,968
Loss and comprehensive loss for the year	-	-	-	(203,152)	(203,152)
December 31, 2023	**80,099,286**	**7,525,281**	**221,647**	**(3,643,755)**	**4,103,173**

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

Trifecta Gold Ltd.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended December 31, 2023 and December 31, 2022

	Note	**December 31, 2023 $**	December 31, 2022 $
Expenses			
Administration expenses		8,210	7,725
Insurance		29,657	26,224
Investor relations and shareholder information		6,957	15,926
Management, administrative and corporate development fees	8	75,157	90,559
Office rent	8	18,000	18,000
Professional fees	8	71,733	64,168
Property examination costs		100	-
Share-based payments	6,8	1,968	45,647
Transfer agent and filing fees		18,945	16,566
Loss from operating expenses		**(230,727)**	(284,815)
Interest income		29,385	14,527
Foreign exchange gain (loss)		(1,810)	2,868
Mineral property impairments	5(b)	-	(415,192)
Loss and comprehensive loss for the year		**(203,152)**	(682,612)
Loss per share			
Weighted average number of common shares outstanding			
- basic #	7	**80,099,286**	80,099,286
- diluted #	7	**80,099,286**	80,099,286
Basic loss per share $	7	**(0.00)**	(0.01)
Diluted loss per share $	7	**(0.00)**	(0.01)

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

Trifecta Gold Ltd.

Statements of Cash Flows

(Expressed in Canadian Dollars)

For the years ended December 31, 2023 and December 31, 2022

	Note	**December 31, 2023 $**	December 31, 2022 $
Operating activities			
Loss for the year		(203,152)	(682,612)
Share-based payments		1,968	45,647
Interest income		(29,385)	(14,527)
Mineral property impairments		-	415,192
Net change in non-cash working capital items	10	(20,041)	21,816
		(250,610)	(214,484)
Investing activities			
Interest received		29,385	14,527
Change in reclamation bond		1,180	(3,215)
Exploration incentives received	5	28,123	39,706
Mineral property acquisition costs	5	(21,924)	(34,859)
Exploration and evaluation expenditures		(259,819)	(515,523)
		(223,055)	(499,364)
Net change in cash and cash equivalents		**(473,665)**	(713,848)
Cash and cash equivalents, beginning of year		**1,032,168**	1,746,016
Cash and cash equivalents, end of year		**558,503**	1,032,168

Supplemental cash flow information 10

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

1. Nature of operations

Trifecta Gold Ltd. (the “Company” or “Trifecta”) was incorporated on October 4, 2016 under the laws of the Province of British Columbia, Canada and was registered extra-territorially in the Yukon Territory on January 6, 2017. The Company’s head office and principal place of business is located at 510 - 1100 Melville Street, Vancouver, BC, V6E 4A6. Its records office is located at 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3. The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”), and on February 2, 2024, the Company’s common shares commenced trading on the OTCQB Venture Maket.

The Company’s principal business activity is the acquisition, exploration, and evaluation of mineral properties. The Company has been exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral properties are based on costs incurred to date, and do not necessarily represent present or future values.

2. Material accounting policies

(a) Basis of presentation

These annual financial statements (the “financial statements”) have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on these financial statements are presented in Canadian dollars which is the functional currency of the Company.

(b) New accounting policies

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2023.

i. Disclosure of accounting policy information (amendments to IAS 1); and
ii. Definition of accounting estimates (amendments to IAS 8).

With the exception of changing the Company’s note heading for the accounting policies from “significant” to “material”, the Company has reviewed all other updates and determined that these updates are not applicable to or consequential to the Company and have no impact on the material accounting policies.

2. **Material accounting policies** (continued)

(c) Financial instruments

The Company classifies its financial instruments in the following categories: as fair value through profit or loss ("FVTPL"), financial assets at amortized cost, or as fair value through other comprehensive income ("FVTOCI"). The classification depends on the purpose for which the financial assets or liabilities were acquired or incurred. Management determines the classification of financial assets and liabilities at initial recognition.

(i) Non-derivative financial assets and liabilities

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments. At initial recognition, the Company measures a financial instrument at its fair value with adjustments for, in the case of a financial instrument not at FVTPL, transaction costs that are directly attributable to the acquisition or assumption of the financial instrument. Transaction costs of financial instruments carried at FVTPL are expensed in profit or loss.

Classification

The Company classifies its financial assets and financial liabilities using the following measurement categories:

(a) Those to be measured subsequently at fair value (either through other comprehensive income (loss) or through profit or loss); and

(b) Those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the instrument. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (an irrevocable election at the time of recognition).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired.

When the Company holds marketable securities, they are classified as FVTPL. Marketable securities held in companies with an active market are classified as current assets at fair value. Marketable securities held in non-public companies without an active market are classified as non-current assets and are valued at fair value. In situations where fair value is indeterminable or impracticable to determine, the shares are recorded at cost. This may occur when non-public company shares are received as payment for mineral property interests. In such situations cost is determined by reference to the issue price of similar shares issued by the non-public entity for cash, at or near the time of issue of the investment shares, and in similar volumes. When, at future measurement dates fair value is still indeterminable, or impracticable, cost is used as the measure of fair value. Whenever there is relevant information about the performance and operations of the investee that becomes available after the date of initial recognition the Company measures fair value, using an applicable fair value technique.

The Company's financial instruments consist of cash and cash equivalents and reclamation bond and are classified as FVTPL and are subsequently measured at fair value.

2. Material accounting policies (continued)

(c) Financial instruments (continued)

(ii) Derivative financial assets

Warrants are classified as derivative financial assets and are recorded at FVTPL. Warrants without an active market that are received as attachments to common share units are initially recorded at nominal amounts. At the time of purchase the total unit cost is allocated in full to each common share. Subsequent value is determined at measurement date using a valuation technique, such as the Black-Scholes option pricing model, or when the valuation technique input variables are not reliable, using the intrinsic value, which is equal to the higher of the market value of the underlying security, less the exercise price of the warrant, or zero. The Company does not own any warrants as at December 31, 2023 and 2022.

(iii) Financial liabilities

The Company has the following financial liabilities: accounts payable and accrued liabilities, and accounts payable to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period. Interest expense is recorded to profit or loss.

(d) Mineral property interests

The acquisition costs of mineral property interests and any subsequent exploration and evaluation costs are capitalized until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Exploration and evaluation costs incurred prior to obtaining ownership, or the right to explore a property, are expensed as incurred as property examination costs. Mineral property interests that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units (“CGU”) for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements.

Proceeds received from a partial sale or option of any interest in a property are credited against the carrying value of the property. When the proceeds exceed the carrying costs the excess is recorded in profit or loss in the period the excess is received. When all of the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the period the transaction takes place. No initial value is assigned to any retained royalty interest. The gain or loss on sale includes the estimated fair value of the retained royalty interests at the time of sale.

Management reviews its mineral property interests at each reporting period for signs of impairment and annually after each exploration season, taking into consideration current year exploration results, or expectations for the disposition or option of the property. If a property is abandoned or inactive for a prolonged period, or considered to have no future economic potential, the acquisition and deferred exploration and evaluation costs are written-off to profit or loss.

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, mineral property interests attributable to that area are first tested for impairment and then reclassified to property and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. Should a project be put into production, the costs of acquisition, exploration and evaluation will be amortized over the life of the project based on proven and probable reserves. If the carrying value of a project exceeds the higher of its fair value less costs of disposal and value in use, an impairment provision is recorded.

2. Material accounting policies (continued)

(d) Mineral property interests (continued)

When the Company has complied with the conditions attached to a government grant, and has assurance that the grant will be received, the government grant is recorded as a reduction of the carrying amount of the mineral property interest. The Company records refundable mineral exploration tax credits or incentive grants on an accrual basis and as a reduction of the carrying value of the mineral property interest. When the Company is entitled to non-refundable exploration tax credits, and it is probable that they can be used to reduce future taxable income, a deferred tax benefit is recognized.

(e) Impairment

(i) Financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as of the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

(ii) Non-financial assets

Non-financial assets are reviewed quarterly by management for indicators that the carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the 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 groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs of disposal and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company's mineral property interest impairment policy is more specifically discussed in note 2(d) above.

(f) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash are measured based on their fair value at the date the shares are issued.

The Company has adopted the 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 reliably measurable component based on fair value and then the residual value, if any, to the less reliably measurable component. The Company considers the fair value of common shares issued in a private placement to be the more reliably measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded as reserves. When a warrant is cancelled or expires, the initial recorded value is reversed from reserves and credited to share capital or deficit, depending on the accounting on issuance.

(g) Flow-through share private placements

As an incentive to complete private placements the Company may issue common shares, which by agreement are designated as flow-through shares. Such agreements require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions for income tax purposes to the Company.

The shares may be issued at a premium to the trading value of the Company's common shares at the date the private placement is announced. On issue, share capital is increased only by the non-flow-through share quoted price. Any premium is recorded as a flow-through share premium liability.

2. Material accounting policies (continued)

(g) Flow-through share private placements (continued)

The flow-through share premium liability are recorded on a pro-rata basis as the required exploration expenditures are completed and renounced to the flow-through shareholders.

(h) Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to Officers, Directors, related company employees and consultants to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in reserves as the options vest.

Options granted to employees and others providing similar services are measured at the grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value and measured accordingly.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the date the Company obtains the goods or the counterparty renders service.

Over the vesting period, share-based payments are recorded as an expense and as reserves. When options are exercised the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded as contributed surplus are transferred to share capital. When an option is cancelled or expires, the initial recorded value is reversed from reserves and credited to deficit.

(i) Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The estimated costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using the unit-of-production method. The related liability is adjusted at each reporting date for accretion, for changes to the current market-based discount rate, and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profit or loss as extraction progresses.

The Company has no known restoration, rehabilitation or environmental costs, of any significance, related to its mineral property interests.

(j) Income taxes

Income tax expense is comprised of current and deferred taxes. Current income tax and deferred tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2. Material accounting policies (continued)

(j) Income taxes (continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

(k) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by dividing the profit attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion proves to be anti-dilutive. Diluted loss per share is equivalent to basic loss per share, as the potential dilutive instruments would be anti-dilutive.

(l) Use of estimates and critical judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Estimates

(i) Option or sale agreements, under which the Company may receive shares as payment, require the Company to determine the fair value of the shares received. Many factors can enter into this determination, including, if public shares, the number of shares received, the trading value of the shares, and volume of shares, and if non-public shares, the net asset value of the investee, which includes the fair value of any claims under option or sale. This determination is subjective and changes in the assumptions underlying the estimate could have a material impact on the financial statements.

(ii) The determination of the fair value of stock options or compensatory warrants using stock pricing models requires the input of highly subjective assumptions, including expected price volatility and forfeiture rates. Changes in the assumptions could materially affect the fair value estimate. and the resulting amounts recognized for share-based payments.

Judgments

(i) The carrying amount of mineral property interests is the aggregate of the historical costs incurred less any impairments recognized, and is not representative of the valuation or any other measurement. It is reasonably possible, based on existing knowledge, that a change in future conditions could require a material change in the recognized amount. Management is required, at each reporting date, to review its mineral property interests for signs of impairment. This is a highly subjective process taking into consideration exploration results, metal prices, exploration and evaluation economics, financing prospects and sale or option prospects. Management makes these judgments based on information available, but there is no certainty that a property is or is not impaired. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(Expressed in Canadian Dollars)

2. **Material accounting policies** (continued)

(l) **Use of estimates and critical judgments** (continued)

Judgments (continued)

(ii) The determination of deferred tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts within the next fiscal year.

(iii) These financial statements are prepared on the basis that the Company will continue as 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 and commitment in the normal course of operations. The Company does not have revenues and has incurred operating losses since incorporation. As at December 31, 2023, the Company had working capital of $591,487 (December 31, 2022 – $1,030,801), and shareholders' equity of $4,103,173 (December 31, 2022 - $4,304,357). Management has assessed that this working capital is sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption were not appropriate for these financial statements, it could be necessary to remeasure the Company's assets and liabilities on a liquidation basis, and such remeasurements could be material.

(m) **Standards issued but not yet effective**

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2024. The Company has reviewed these pronouncements and determined that none are applicable or consequential to the Company and are expected to have no impact on the material accounting policies.

3. **Cash and cash equivalents**

Cash and cash equivalents consist of the following:

	December 31, 2023	December 31, 2022
	$	$
Bank and broker balances	15,269	67,096
Cashable investment certificates	543,234	965,072
	558,503	1,032,168

4. **Receivables and prepayments**

Receivables and prepayments consist of the following:

	December 31, 2023	December 31, 2022
	$	$
Prepaid expenses	31,966	7,685
Sales tax recoverable	2,748	2,074
Other accrued receivables	255	-
Yukon mineral exploration grant receivable (note 5(a)(i)(ii))	50,087	28,123
	85,056	37,882

(Expressed in Canadian Dollars)

5. Mineral property interests

The Company's mineral property interests consist of exploration stage properties located in Canada (Yukon Territory and British Columbia) and the United States (Nevada). The properties have been grouped into those which are wholly-owned projects, wholly-owned and under option, project under option from other parties and others.

Changes in the project carrying amounts for the year ended December 31, 2022 are summarized as follows:

	January 1, 2022 $	Acquisitions/ staking/ assessments $	Exploration and evaluation $	Impairment $	December 31, 2022 $
Wholly-owned projects					
Eureka	1,270,312	3,951	65,984	-	1,340,247
Treble	156,189	10,032	47,494	-	213,715
Yuge	1,276,371	20,876	372,072	-	1,669,319
Total	**2,702,872**	**34,859**	**485,550**	**-**	**3,223,281**
Wholly-owned and under option project					
Trident - wholly-owned claims					
Squid	303,118	-	-	(303,117)	1
Trident - under option claims					
CH	112,075	-	-	(112,075)	-
	415,193	**-**	**-**	**(415,192)**	**1**
Total all projects	**3,118,065**	**34,859**	**485,550**	**(415,192)**	**3,223,282**

Exploration and evaluation expenditures on the projects consisted of the following:

Year ended December 31, 2022	Eureka $	Treble $	Yuge $	Total $
Assays	3,288	9,309	70,719	83,316
Drilling	-	-	117,000	117,000
Field	3,521	7,539	76,563	87,623
Helicopter and fixed wing	273	9,221	-	9,494
Labour	51,625	47,840	87,935	187,400
Resource and environmental	5,235	-	-	5,235
Travel and accommodation	2,042	1,708	19,855	23,605
Total	65,984	75,617	372,072	513,673
Less: mineral exploration credits (note 5(a)(ii))	-	(28,123)	-	(28,123)
Total	**65,984**	**47,494**	**372,072**	**485,550**

(Expressed in Canadian Dollars)

5. Mineral property interests (continued)

Changes in the project carrying amounts for the year ended December 31, 2023 are summarized as follows:

	January 1, 2023 $	Acquisitions/ staking/ assessments $	Exploration and evaluation $	December 31, 2023 $
Wholly-owned projects				
Eureka	1,340,247	-	58,402	1,398,649
Treble	213,715	2,978	60,563	277,256
Yuge	1,669,319	18,946	98,421	1,786,686
Total	**3,223,281**	**21,924**	**217,386**	**3,462,591**
Wholly-owned and under option project				
Trident - wholly-owned claims				
Squid	**1**	**-**	**-**	**1**
Total all projects	**3,223,282**	**21,924**	**217,386**	**3,462,592**

Exploration and evaluation expenditures on the projects consisted of the following:

Year ended December 31, 2023	Eureka $	Treble $	Yuge $	Total $
Assays	1,928	13,098	10,814	25,840
Field	36,517	11,355	7,772	55,644
Helicopter and fixed wing	250	19,101	-	19,351
Labour	42,017	41,652	48,094	131,763
Surveys	-	-	24,568	24,568
Travel and accommodation	273	2,861	7,173	10,307
Total	80,985	88,067	98,421	267,473
Less: mineral exploration credits (notes 5(a)(i)(ii))	(22,583)	(27,504)	-	(50,087)
Total	**58,402**	**60,563**	**98,421**	**217,386**

5. **Mineral property interests** (continued)

(a) Wholly-owned projects

(i) Eureka

The Eureka project consists of a 100% interest in the Eureka mineral claims located in the Dawson Mining District, Yukon Territory. The project was acquired in December 2016 by the issue of 11,250,000 common shares at $0.10 per share for an aggregate cost of $1,125,000. The claims are subject to a 1% net smelter return royalty ("NSR").

During the year ended December 31, 2021, the Company was approved to receive financial assistance from the Yukon Government on qualified exploration expenditures on this project. An amount of $39,706 was earned, which was recorded as a reduction of 2021 exploration expenditures. The amount was received during the year ended December 31, 2022.

During the year ended December 31, 2023, the Company was approved to receive financial assistance from the Yukon Government on qualified exploration expenditures on this project. An amount of $22,583 was earned, which was recorded as a reduction of 2023 exploration expenditures. The amount is included in receivables as at December 31, 2023 (note 4).

(ii) Treble

The Treble project consists of a 100% interest in the LLL mineral claims located in the Dawson Mining District, Yukon Territory. The project was acquired in December 2016 by the issue of 1,150,000 common shares at $0.10 per share for an aggregate cost of $115,000. The claims are not subject to any royalty interests.

During the year ended December 31, 2022, the Company was approved to receive financial assistance from the Yukon Government on qualified exploration expenditures on this project. An amount of $28,123 was earned, which was recorded as a reduction of 2022 exploration expenditures. The amount was received during the year ended December 31, 2023 (note 4).

During the year ended December 31, 2023, the Company was approved to receive financial assistance from the Yukon Government on qualified exploration expenditures on this project. An amount of $27,504 was earned, which was recorded as a reduction of 2023 exploration expenditures. The amount is included in receivables as at December 31, 2023 (note 4).

(iii) Yuge

On February 27, 2018, the Company signed a letter of intent, which was subsequently replaced with a definitive agreement (the "Option Agreement"), to option from Silver Range Resources Ltd. ("Silver Range") up to a 75% interest in Silver Range's Yuge property, which is located in Nevada, USA.

Under the agreement, the Company reimbursed Silver Range staking and recording costs of $9,066.

On July 7, 2020, the Option Agreement was replaced with a Property Purchase Agreement (the "PP Agreement"). Pursuant to the terms of the PP Agreement, and during the year ended December 31, 2021, the Company acquired a 100% interest in the Yuge Property by:

- Issuing to Silver Range that number of common shares equal to 9.9% of the total number of issued and outstanding common shares of the Company immediately following the closing of the first $500,000 of a financing (issued 4,797,611 shares at a fair value of $359,821);
- Reimbursing Silver Range for property maintenance payments, rentals and filing fees made to maintain the property in good standing until September 1, 2021 (paid, $15,734); and
- Paying Silver Range $250,000, in cash or deemed value in shares, on or before July 7, 2021 (issued 2,212,389 shares at a fair value of $250,000).

On completion of the PP Agreement, Silver Range retained a 2% NSR from the commercial production of any mineral products on the property. The Company has the right to purchase one-half of the NSR for $1,000,000. Additionally, Silver Range is entitled to receive a one-time cash payment of US$2 per ounce of gold or equivalent identified in a NI 43-101 compliant technical report of a measured or indicated mineral resource or proven or probable mineral reserve.

5. Mineral property interests (continued)

(b) Wholly-owned and under option project

Trident

The Trident project consists of the Squid claims, which are wholly-owned, and the CH claims which were being acquired under an option agreement.

Wholly-owned claims

The Squid claims are located in the Dawson Mining District, Yukon Territory, and were acquired by staking. During the year ended December 31, 2022, the Company recorded an impairment charge of $303,117 on these claims, as management has no current or future budgeted exploration programs in place. Subsequent to the year ended December 31, 2023, the Company did not renew their interest in the Squid claims.

Under option claims

By an agreement dated December 8, 2016, and amended on April 27, 2017, December 3, 2020, and December 7, 2021, the Company had the right acquire a 100% interest in the CH mineral claims located in the Dawson Mining District, Yukon Territory from Coureur Des Bois Ltee Ltd. ("Coureur"), for consideration of:

- The issuance of 1,500,000 common shares to Coureur as follows:
  - 150,000 shares upon completion of a TSX-V listing (issued);
  - 150,000 shares on or before December 8, 2017 (issued);
  - 200,000 shares on or before December 8, 2018 (issued);
  - 300,000 shares on or before December 8, 2019 (issued);
  - 200,000 shares on or before December 8, 2020 (issued); and
  - 500,000 shares (or $50,000, at the Company's election) on or before December 8, 2022 (not issued).

Upon completion of the agreement, the Company would have attained a 100% interest in the claims and Coureur would have retained a 2% NSR from any precious metal commercial production and a 1% NSR from any non-precious metal commercial production. The Company would have had the right at any time to purchase one-half of the NSR for $1,000,000.

During the year ended December 31, 2022, the Company provided a termination notice with respect to the agreement and accordingly, recorded an impairment charge of $112,075 on these claims.

(c) Others

(i) Triple Crown

The Company retains a 0.5% NSR on the Triple Crown Project which consists of the OOO mineral claims located in Dawson Mining District, Yukon Territory. The NSR can be purchased by the claim owner at any time for a cash payment of $500,000.

(ii) Handsome Jack

The Company retains a 1% NSR on the Handsome Jack project which consists of the Never Sweat mineral claims located in the Golden Triangle region of British Columbia. One-half of the NSR can be purchased by the claim owner at any time for a cash payment of $500,000.

(d) Reclamation bond

The reclamation bond is pledged to the Bureau of Land Management (Nevada) to ensure specified properties are properly restored after exploration. Management has determined that the Company has no material reclamation work related to the properties requiring the deposit.

(Expressed in Canadian Dollars)

6. Share capital

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

Transactions for the issue of share capital during the year ended December 31, 2023:

There were no transactions for the issue of share capital during the year ended December 31, 2023.

Transactions for the issue of share capital during the year ended December 31, 2022:

There were no transactions for the issue of share capital during the year ended December 31, 2022.

Stock options

The Company has an incentive stock option plan (the "Plan"), under which the maximum number of stock options issued cannot exceed 10% of the Company's currently issued and outstanding common shares. The exercise period for any options granted under the Plan cannot exceed ten years. The exercise price of options granted under the Plan cannot be less than the "discounted market price" of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the issuance of a news release announcing the granting of the options, or the date of grant in respect of options granted to consultants, less a discount of from 15% to 25%), unless otherwise agreed to by the Company and accepted by the TSX-V.

A participant who is not a consultant conducting investor relations activities, who is granted an option under the plan with exercise prices at or above "Market Price" will have their options vest immediately, unless otherwise determined by the Board of Directors. A participant who is granted an option under the plan with exercise prices below "Market Price" will become vested with the right to exercise one-sixth of the option upon conclusion of every three months subsequent to the grant date. A participant who is a consultant conducting investor relations activities who is granted options under the plan will become vested with the right to exercise one-quarter of the options upon conclusion of every three months subsequent to the grant date.

A summary of the status of the Company's stock options as at December 31, 2023 and December 31, 2022 and changes during the years then ended is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Options #	Weighted average exercise price $	Options #	Weighted average exercise price $
Options outstanding, beginning of year	3,225,000	0.08	4,620,000	0.15
Granted	250,000	0.08	500,000	0.08
Expired	-	-	(1,895,000)	0.25
Cancelled	(15,000)	0.08	-	-
Options outstanding, end of year	**3,460,000**	**0.08**	3,225,000	0.08

As at December 31, 2023, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
2,310,000	2,310,000	0.08	1.88	November 17, 2025
400,000	400,000	0.10	2.52	July 6, 2026
250,000	250,000	0.08	3.07	January 25, 2027
250,000	250,000	0.08	3.21	March 16, 2027
250,000	-	0.08	4.85	November 3, 2028
3,460,000	**3,210,000**		**2.35**	

(Expressed in Canadian Dollars)

6. Share capital (continued)

Stock options (continued)

On January 25, 2022, the Company granted 250,000 stock options to a Director. The stock options vested quarterly over a period of one year and are exercisable at $0.08 until January 25, 2027. The Company has recorded the fair value of all options granted using the Black-Scholes option pricing model. Share-based payments expense was calculated using the following assumptions: expected life of options - five years, expected stock price volatility – 125.00%, no dividend yield, and a risk-free interest rate yield – 1.56%. Using the above assumptions, the fair value of these options was $0.07 per option, for a total of $16,879.

On March 16, 2022, the Company granted 250,000 stock options to an Officer. The stock options vested quarterly over a period of one year and are exercisable at $0.08 until March 16, 2027. The Company has recorded the fair value of all options granted using the Black-Scholes option pricing model. Share-based payments expense was calculated using the following assumptions: expected life of options - five years, expected stock price volatility – 125.00%, no dividend yield, and a risk-free interest rate yield – 2.00%. Using the above assumptions, the fair value of options was $0.06 per option, for a total of $14,612.

On November 3, 2023, the Company granted 250,000 stock options to a Director. The stock options vested quarterly over a period of one year and are exercisable at $0.08 until November 3, 2028. The Company has recorded the fair value of all options granted using the Black-Scholes option pricing model. Share-based payments expense was calculated using the following assumptions: expected life of options - five years, expected stock price volatility – 125.00%, no dividend yield, and a risk-free interest rate yield – 1.56%. Using the above assumptions, the fair value of options was $0.02 per option, for a total of $5,651.

The total share-based payments expense for the year ended December 31, 2023 was $1,968 (2022 - $45,647), which is presented as an operating expense, and includes only options that vested during the year.

During the year ended December 31, 2023, 15,000 stock options were cancelled. As a result, the original share-based payment expense of $1,007 was reversed from reserves and credited to deficit.

During the year ended December 31, 2022, 1,895,000 stock options expired unexercised. As a result, the original share-based payment expense of $197,270 was reversed from reserves and credited to deficit.

Warrants

As an incentive to complete private placements, the Company may issue units which consist of common shares and common share purchase warrants.

A summary of the status of the Company's warrants as at December 31, 2023 and December 31, 2022, and changes during the years then ended is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of year	20,397,600	0.20	20,397,600	0.20
Private placement warrants expired	(20,000,000)	0.20	-	-
Finders' warrants expired	(397,600)	0.20	-	-
Warrants outstanding, end of year	**-**	**-**	20,397,600	0.20

During the year ended December 31, 2023, 397,600 finders' warrants expired unexercised. As a result, the original fair value of $19,400 was reversed from reserves and credited to share capital.

6. Share capital (continued)

Reserves

Reserves, when applicable, includes the accumulated fair value of stock options recognized as share-based payments and the fair value of warrants issued on private placements (both unit warrants and finders' warrants). Reserves is increased by the fair value of these items on vesting and is reduced by corresponding amounts when the options or warrants expire or are exercised or cancelled.

7. Loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2023 is based on the loss attributable to common shareholders of $203,152 (2022 - $682,612) and a weighted average number of common shares outstanding of 80,099,286 (2022 – 80,099,286).

All stock options and warrants were excluded from the diluted weighted average number of shares calculation, as their effect would have been anti-dilutive.

8. Related party payables and transactions

The Company's related parties include key management personnel, and companies in which they have control or significant influence over the financial or operating policies of those entities. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. There were no loans to key management personnel, or entities over which they have control or significant influence during the years ended December 31, 2023 and December 31, 2022.

No key management personnel receive salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company, other than noted below, and there are no contracts with them that cannot be terminated without penalty on thirty days' notice. Key management personnel participate in the Company's stock option plan. During the year ended December 31, 2023, the Company recognized $1,968 in share-based payments expense associated with stock options granted to key management (2022 - $36,533).

During the year ended December 31, 2023, 250,000 stock options were granted to a Director having a fair value on grant date of $5,651. These options are exercisable at $0.08 until November 3, 2028, and vest over a one-year period ending November 3, 2024.

During the year ended December 31, 2022, 250,000 stock options were granted to a Director having a fair value on grant date of $16,879. These options are exercisable at $0.08 until January 25, 2027, and vested over a one-year period ending January 25, 2023. Further, on March 16, 2022, 250,000 stock options were granted to an Officer having a fair value on grant date of $14,612. These options are exercisable at $0.08 until March 16, 2027, and vested over a one-year period ending March 16, 2023.

The Company transacted with the following related parties:

(a) Archer Cathro & Associates (1981) Limited ("Archer Cathro") is a geological consulting firm that is a related party through its management contracts, which confer significant influence over operations. Charges are for mineral property management, office rent and administration.

(b) Glenn Yeadon is the Company's Secretary. He controls Glenn R. Yeadon Personal Law Corporation ("Yeadon Law Corp"), which provides the Company with legal services.

(c) Quinn Martin is the Company's CFO, effective March 16, 2022. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA") a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services. Larry Donaldson was the Company's CFO through to March 16, 2022, and is also a principal of DBM CPA.

(d) Richard Drechsler is the Company's President and CEO. He controls Drechsler Consulting Ltd. ("Drechsler Consulting"), which charges the Company for the management, administrative and corporate development services of Richard Drechsler.

(Expressed in Canadian Dollars)

8. Related party payables and transactions (continued)

The transactions and outstanding balances with related parties are as follows:

	Transactions Year ended December 31, 2023	Transactions Year ended December 31, 2022	**Balances outstanding, December 31, 2023**	Balances outstanding, December 31, 2022
	$	$	**$**	$
Archer Cathro				
- geological services	154,618	217,882	8,942	1,288
- office and administration	19,319	22,798	2,022	1,640
	173,937	240,680	10,964	2,928
Yeadon Law Corp	25,190	21,692	12,245	6,430
DBM CPA	21,500	23,750	5,000	8,000
Drechsler Consulting	59,990	50,220	-	-
	280,617	336,342	**28,209**	17,358

All related party balances are unsecured and are due within thirty days without interest. The related party transactions do not include expense reimbursements or recoverable sales tax amounts that are included in the period end related party payable balances. The transactions with the key management personnel are included in expenses as follows:

(a) Management, administrative and corporate development fees
- Includes charges by Archer Cathro for administrative personnel.
- Includes services provided by Drechsler Consulting.

(b) Office rent
- Charged by Archer Cathro.

(c) Professional fees
- Includes the legal services of the Company's Secretary, Glenn Yeadon, charged to the Company by Yeadon Law Corp.
- Includes the accounting and tax services charged to the Company by DBM CPA.

9. Income taxes

Income tax recovery varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	December 31, 2023	December 31, 2022
	$	$
Loss for the year before income taxes	(203,152)	(682,612)
Statutory Canadian corporate tax rate	27.00%	27.00%
Anticipated income tax recovery	54,851	184,305
Change in tax resulting from:		
Unrecognized items for tax purposes	(505)	(12,326)
Tax benefits unrecognized	(54,346)	(171,979)
Income tax recovery	**-**	-

(Expressed in Canadian Dollars)

9. Income taxes (continued)

The significant components of the Company's unrecognized deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
	$	$
Mineral property interests	188,861	227,673
Capital loss carry forwards	3,143	3,143
Non-capital loss carry forwards	672,024	573,135
Share issue costs	9,696	15,427
Tax benefits unrecognized	(873,724)	(819,378)
Net deferred tax assets	**-**	-

As at December 31, 2023, the Company has unused non-capital losses of approximately $2,489,000 (December 31, 2022 – $2,123,000) of which $43,000 expire in 2036, $305,000 in 2037, $355,000 in 2038, $337,000 in 2039, $243,000 in 2040, $448,000 in 2041, $392,000 in 2042, and $366,000 in 2043.

As at December 31, 2023, the Company has unused capital losses of approximately $12,000 (December 31, 2022 - $12,000), which have no expiry dates and can only be used to reduce future income from capital gains.

As at December 31, 2023, the Company has unclaimed resource deductions in the amount of approximately $4,162,000 (December 31, 2022 – $4,067,000), which have no expiry dates and which may be deductible against future taxable income.

As at December 31, 2023, there are share issue costs totaling approximately $36,000 (December 31, 2022 – $57,000), which expire between 2044 and 2045 and which have not been claimed for tax purposes.

Income tax attributes are subject to review, and potential adjustments, by tax authorities.

10. Supplemental cash flow information

Changes in non-cash working capital during the years ended December 31, 2023 and December 31, 2022 were comprised of the following:

	December 31, 2023	December 31, 2022
	$	$
Receivables and prepayments	(25,210)	22,822
Accounts payable and accrued liabilities	1,972	1,358
Accounts payable to related parties	3,197	(2,364)
Net change	**(20,041)**	21,816

The Company incurred non-cash investing activities during the years ended December 31, 2023 and December 31, 2022 as follows:

	December 31, 2023	December 31, 2022
	$	$
Non-cash investing activities:		
Exploration expenditures included in accounts payable and related party payables	8,942	1,288
Exploration expenditures included in Yukon mineral exploration grant receivable	(50,087)	(28,123)
	(41,145)	(26,835)

(Expressed in Canadian Dollars)

10. Supplemental cash flow information (continued)

There were no non-cash financing activities during the years ended December 31, 2023 and December 31, 2022.

During the years ended December 31, 2023 and December 31, 2022, no amounts were paid for interest or income taxes.

11. Financial risk management

Capital management

The Company is a resource exploration company and considers items included in shareholders' equity as capital. The Company has no long-term debt and does not expect to enter into any long-term debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at December 31, 2023 is comprised of shareholders' equity of $4,103,173 (December 31, 2022 - $4,304,357).

The Company currently has no source of revenues. In order to fund future projects and pay for operating costs, the Company will spend its existing working capital and has plans to raise additional funds as needed.

There were no changes to the Company's capital management approach during the year ended December 31, 2023.

Financial instruments - fair value

The Company's financial instruments consist of cash and cash equivalents, reclamation bond, accounts payable and accrued liabilities, and accounts payable to related parties. The carrying value of accounts payable and accrued liabilities, and accounts payable to related parties approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $	Level 2 $	Level 3 $	Total $
December 31, 2023				
Cash and cash equivalents	558,503	-	-	558,503
Reclamation bond	49,094	-	-	49,094
	607,597	**-**	**-**	**607,597**
December 31, 2022				
Cash and cash equivalents	1,032,168	-	-	1,032,168
Reclamation bond	50,274	-	-	50,274
	1,082,442	-	-	1,082,442

11. Financial risk management (continued)

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, liquidity risk, and market risk.

(a) Credit risk

Credit risk is 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's maximum exposure to credit risk is the carrying amount of cash and cash equivalents, and reclamation bond. All of the Company's cash is held in financial institutions in Canada, and management believes the exposure to credit risk with respect to such institutions is not significant. The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. The Company's exposure to and management of liquidity risk has not changed materially from that of the prior year.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is not exposed to material other price risk. The Company's exposure to and management of market risk has not changed materially from that of the prior year.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because of fluctuating interest rates on its cash and cash equivalents and its reclamation bond. Fluctuations in market rates do not have a significant impact on the Company due to the short term to maturity and no penalty cashable feature of its cash equivalents. For the year ended December 31, 2023, every 1% fluctuation in interest rates up or down would have impacted loss for the year, up or down, by approximately $8,000 (2022 - $13,000).

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk because it holds funds in United States Dollars ("USD"), which, because of fluctuating exchange rates can create gains or losses at the time the funds are converted to Canadian dollars. The Company has no control over these fluctuations and does not hedge its foreign currency holdings. Based on its December 31, 2023, and 2022 USD holdings, every 10% increase or decrease in the exchange rate would have had an insignificant impact on loss for the year.

12. Event after the reporting period

On March 21, 2024, the Company entered into a Property Option Agreement (the “PO Agreement”) (which superseded a binding Letter of Intent dated March 1, 2024) with Strategic Metals Ltd. (“Strategic”), whereby the Company has the option to earn a 100% interest in eleven mineral properties located in the Mayo and Watson Lake Mining Districts, Yukon Territory. Pursuant to the PO Agreement, the obligations of the Company are first subject to the Company obtaining TSX-V acceptance of the following: (a) a share consolidation using a 4:1 consolidation ratio; and (b) the property option transaction contemplated under the PO Agreement (collectively, the “Initial Criteria”).

If the Initial Criteria have not been satisfied by June 30, 2024, the PO Agreement will terminate unless otherwise agreed to in writing by all parties.

On completion of the Initial Criteria, the Company has the right to earn an initial 70% interest (the “First Option”) in the properties by issuing to Strategic that number of common shares such that Strategic will hold an aggregate 9.99% of the issued and outstanding common shares of the Company (inclusive of Strategic’s current shareholdings in the Company, which amounted to 8.6% as at December 31, 2023). Further, the Company is required to incur aggregate exploration expenditures of $6,000,000 on the properties based on the following schedule:

(i) $500,000 on or before December 31, 2024;
(ii) An additional $1,000,000 on or before December 31, 2025;
(iii) An additional $1,500,000 on or before December 31, 2026; and
(iv) An additional $3,000,000 on or before December 31, 2027.

The Company has the right to satisfy the exploration expenditure requirements and exercise the First Option by incurring aggregate expenditures of $6,000,000 at any time prior to December 31, 2027.

Upon the Company having exercised the First Option, Strategic will be deemed to have granted the Company an option to acquire an additional 30% interest (the “Second Option”) in the properties. The Company may exercise the Second Option by issuing to Strategic, on or before February 28, 2028, the lesser of: (a) 8,920,000 additional common shares, or (b) that number of common shares such that Strategic will hold an aggregate 9.99% of the then issued and outstanding common shares of the Company.

At the time the First Option is exercised, Strategic shall be deemed to have retained a 1% NSR in any and all future proceeds from commercial production from the properties (the “First Royalty”). At the time the Second Option is exercised, Strategic shall be deemed to have retained a 1% NSR in any and all future proceeds from commercial production from the properties. At any time prior to the commencement of commercial production from a mine on any of the properties, the Company shall have the irrevocable right to purchase the Second Royalty from Strategic. The consideration to be received by Strategic shall be 1,500 ounces of gold or the cash equivalent, based on the afternoon closing price of gold in USD on the London Bullion Market on the date that the Company exercises its rights to purchase the Second Royalty.

Upon the exercise of the First Option and the termination of the Second Option, the Company and Strategic will be deemed to have formed a 70/30 joint venture, with the Company acting as the operator. If at any time a party’s interest is reduced to below 10% under a straight-line dilution calculation contained in a formal joint venture agreement, it shall be deemed to have converted its interest proportionately to the other party in consideration of the right to receive a 1% NSR related to all future proceeds from commercial production from a mine on any of the properties.