



NUINSCO RESOURCES LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

DATED April 5, 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Nuinsco Resources Limited

Opinion

We have audited the consolidated financial statements of Nuinsco Resources Limited (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statement of operations and comprehensive loss, shareholders' deficiency and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

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

Basis of Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the financial statements, which indicates that the Company incurred net losses during the years ended December 31, 2023 and 2022, and, as of those dates, the Company's current liabilities exceeded its current assets. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

The key audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgements. The communication of the key audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the key audit matter below providing a separate opinion on the key audit matter or on the accounts or disclosures to which it relates.

Impairment assessment of exploration and evaluation assets – Refer to Note 7 to the financial statements

Description of Key Audit Matter

We identified the impairment assessment of exploration and evaluation assets as a key audit matter due to significant auditor and management judgement and estimation involved in determining the recoverable amount. As disclosed in Note 7 to the consolidated financial statements, the carrying value of the Company's exploration and evaluation assets was \$715,801 as at December 31, 2023. As discussed in Note 3 to the consolidated financial statements, the carrying value of exploration and evaluation is reviewed each reporting period to determine whether there is any indication of impairment or reversal of impairment. During the year ended December 31, 2023, the Company recognized an impairment charge of \$730,352 in the consolidated statements of operations and comprehensive loss based on the management's estimate of its recoverable amount.

In addition, by its activities in exploration, development and production of mineral assets, the Company is exposed to the risk associated with the unpredictable nature of the financial markets as well as political risk associated with conducting operations in an emerging market. A variety of factors, including concerns surrounding unrest and conflict, could negatively impact recoverability of these assets.

Audit Response

Our primary procedures to address this critical audit matter include i) testing the design effectiveness of certain internal controls related to the Company's process to assess indicators of impairment or reversal of impairment; ii) evaluating the appropriateness of the methods and valuation models used for the calculation of recoverable amount; and iii) evaluating the reasonableness of the significant assumptions used by management. We also assessed the competence, capabilities and objectivity of the Company's personnel involved in preparing the impairment assessment.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis;

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.



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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.

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

April 5, 2024
Toronto, Ontario

DNTW Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants

Nuinsco Resources Limited

Consolidated Statements of Financial Position

As at December 31, 2023 and December 31, 2022

(in Canadian dollars)	<i>Notes</i>	December 31, 2023	December 31, 2022
ASSETS			
Current assets			
Cash		\$ 56,029	\$ 120,358
Receivables	5	18,007	346,588
Prepays		100	2,119
Total current assets		74,136	469,065
Non-current assets			
Property and equipment	6	1,815	2,345
Exploration and evaluation projects	7	715,801	1,216,278
Total non-current assets		717,616	1,218,623
Total Assets		\$ 791,752	\$ 1,687,688
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current liabilities			
Trade and other payables		\$ 657,057	\$ 704,021
Loan payable	8	60,000	53,777
Option deposit	7	-	22,720
Total current liabilities		717,057	780,518
Non-current liabilities			
Long-term liabilities	9	2,255,525	2,015,025
Total Liabilities		2,972,582	2,795,543
Shareholders' deficiency			
Share capital	10	101,043,919	100,959,879
Contributed surplus	12	6,949,774	6,639,745
Warrants	12	57,996	283,730
Accumulated other comprehensive loss		(2,147,261)	(2,147,261)
Deficit		(108,085,258)	(106,843,948)
Total shareholders' deficiency		(2,180,830)	(1,107,855)
Total Liabilities and Shareholders' Deficiency		\$ 791,752	\$ 1,687,688

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

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

SUBSEQUENT EVENT (Note 18)

Approved by the Board of Directors

(signed)

Bob Wardell, Director

(signed)

Paul Jones, Director

Nuinsco Resources Limited

Consolidated Statements of Operations and Comprehensive Loss

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

(in Canadian dollars)	<i>Notes</i>	2023	2022
Operating expenses			
General and administrative		\$ 577,534	\$ 496,854
Share-based payments	12, 14	47,995	-
Depreciation of property and equipment	6	530	936
Royalty payments		-	20,000
Impairment write-down of evaluation and exploration projects	7	730,352	161,357
Operating loss		(1,356,411)	(679,147)
Other income (expenses)			
Interest expense	8	(6,223)	(6,096)
Gain on government grant	8	-	11,801
Gain on settlement of debt	10	-	7,500
Income from option agreements	10	93,475	-
Loss on sale of marketable securities		(13,306)	-
Other income	7	41,155	25,500
Loss before income taxes		(1,241,310)	(640,442)
Income taxes	16	-	-
Net loss and comprehensive loss for the year		\$ (1,241,310)	\$ (640,442)
Loss per share			
Basic and diluted loss per share	11	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding		574,066,953	568,955,041

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

Nuinsco Resources Limited

Consolidated Statements of Shareholders' Deficiency

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

(in Canadian dollars)	Share Capital	Contributed Surplus	Warrants	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Deficiency
Balances as at December 31, 2020	100,851,779	6,599,884	345,691	(2,147,261)	(106,203,506)	(553,413)
Shares issued on exercise of stock options	64,000	(32,000)	-	-	-	32,000
Units issued on private placement (note 10)	20,100	-	9,900	-	-	30,000
Shares issued to settle debt (note 10)	15,000	-	-	-	-	15,000
Shares issued in accordance with property agree- ments (notes 7)	9,000	-	-	-	-	9,000
Expiry of warrants	-	71,861	(71,861)	-	-	-
Net loss for the year	-	-	-	-	(640,442)	(640,442)
Balances as at December 31, 2022	\$ 100,959,879	\$ 6,639,745	\$ 283,730	\$ (2,147,261)	\$ (106,843,948)	\$ (1,107,855)
Share-based compensation	-	47,995	-	-	-	47,995
Units issued on private placement (note 10)	78,180	-	36,300	-	-	114,480
Shares issued to settle debt (note 10)	2,860	-	-	-	-	2,860
Shares issued in accordance with property agree- ments (notes 7)	3,000	-	-	-	-	3,000
Expiry of warrants	-	262,034	(262,034)	-	-	-
Net loss for the year	-	-	-	-	(1,241,310)	(1,241,310)
Balances as at December 31, 2023	\$ 101,043,919	\$ 6,949,774	\$ 57,996	\$ (2,147,261)	\$ (108,085,258)	\$ (2,180,830)

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

Nuinsco Resources Limited

Consolidated Statements of Cash Flows

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

(in Canadian dollars)	<i>Notes</i>	2023	2022
Cash flows from operating activities			
Net loss for the year		\$ (1,241,310)	\$ (640,442)
Adjustments for:			
Share-based payments	12	47,995	-
Interest expense		6,223	6,096
Gain on government grant		-	(11,801)
Income from option agreements		(93,475)	
Depreciation of property and equipment	6	530	936
Loss on sale of marketable securities		13,306	
Gain on settlement of debt		-	(7,500)
Impairment write-down of evaluation and exploration projects	7	730,352	161,357
Option deposit		(12,720)	22,720
Changes in prepaid expenses		2,019	9,231
Change in receivables		28,581	25,080
Change in trade and other payables		(156,604)	145,834
Change in long-term liabilities		240,500	258,000
Net cash used in operating activities		(434,603)	(30,489)
Cash flows from investing activities			
Proceeds from sale of exploration and evaluation projects		415,000	400,000
Proceeds from sale of marketable securities		28,927	-
Payments for acquisition of exploration and evaluation projects		(20,500)	(17,000)
Cash expenditures on exploration and evaluation projects	7	(167,633)	(438,160)
Net cash provided by (used in) investing activities		255,794	(55,160)
Cash flows from financing activities			
Proceeds from exercise of stock options		-	32,000
Proceeds from issue of common shares and warrants	10	114,480	30,000
Net cash provided by financing activities		114,480	62,000
Net decrease in cash		(64,329)	(23,649)
Cash, beginning of the year		120,358	144,007
Cash, end of the year		\$ 56,029	\$ 120,358

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

Nuinsco Resources Limited

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(all amounts in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

Nuinsco Resources Limited (“Nuinsco” or the “Company”) is a company incorporated in Canada. The address of the Company’s registered office is 115-2420 Bank Street, Ottawa, Ontario, K1V 8S2. The consolidated financial statements of the Company as at and for the years ended December 31, 2023 and 2022 comprise the Company and its subsidiaries. Nuinsco is primarily engaged in the acquisition, exploration and evaluation of properties for precious and base metals. The Company conducts its activities on its own or participates with others on an investment basis. The Company also makes strategic investments through equity or loan financing to companies engaged in the exploration and development of resource properties. The Company’s shares trade on the Canadian Securities Exchange under the symbol NWI.

Going Concern

The Company’s Consolidated Financial Statements have been prepared using the going concern assumption, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company has incurred a net loss of \$1,241,310 for the year ended December 31, 2023 (2022 – \$640,442) and as at December 31, 2023 has an accumulated deficit of \$108,085,258 (December 31, 2022 - \$106,843,948). As at December 31, 2023, the Company had a working capital deficiency of \$642,921 (2022 –\$311,453). Working capital deficiency is defined as current liabilities less current assets.

The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to: continuing losses, dependence on key individuals, and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete its projects and fund other operating expenses. Advancing the Company’s projects through exploration and development to the production stage will require significant financing. Refer to Note 4 on Financial Risk Management and Capital Management to these Consolidated Financial Statements for additional information.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, First Nations claims, unregistered prior agreements, social licensing requirements, unregistered claims, and non-compliance with regulatory and environmental requirements. The Company may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainties.

None of the Company’s projects are currently in commercial production and, accordingly, the Company is dependent upon debt or equity financings and the optioning and/or sale of resource or resource-related assets for its funding. The Company’s ability to continue as a going concern, is dependent upon the Company’s ability to finance exploitation of its projects through debt or equity financings and the optioning and/or sale of resource or resource-related assets for its funding.

The Company’s management continues to be engaged in securing financing or the potential sale of assets. There are no assurances that the Company will be successful in obtaining any financing or selling assets, or in accomplishing that on a timely basis or on reasonable or acceptable terms, or at all. If the Company cannot obtain financing or otherwise improve liquidity, it will be unable to fund continuing operations and corporate administration costs.

If the Company is unable to obtain additional financing, it will be required to curtail all of its operations and may be required to liquidate its assets.

Should the Company not be able to continue to obtain the necessary financing, achieve favourable exploration results, achieve future profitable production or the sale of properties or improve its liquidity sufficient to enable it to fund operations, the Company’s ability to continue as a going concern will be compromised. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

Nuinsco Resources Limited

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(all amounts in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN - CONTINUED

These consolidated financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to the statements of operation and comprehensive loss that might be necessary if the Company was unable to continue as a going concern.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB"). These pronouncements are GAAP for a Canadian public company.

The Company's significant accounting policies are described in Note 3.

The management of Nuinsco prepares the consolidated financial statements which are then reviewed by the Audit Committee and the Board of Directors. The consolidated financial statements were authorized for issuance by the Board of Directors on April 5, 2024.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historic cost basis.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its active subsidiaries. All financial information is expressed in Canadian dollars unless otherwise stated.

(d) Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. It is reasonably possible that, on the basis of existing knowledge, outcomes in the next financial year that are different from the assumptions used could require a material adjustment to the carrying amount of the asset or liability affected.

The accompanying consolidated financial statements include all adjustments that are, in the opinion of management, necessary for fair presentation.

Significant estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information regarding significant areas of estimation uncertainty made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 12 Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made in applying valuation techniques. These assumptions include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Nuinsco Resources Limited

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(all amounts in Canadian dollars)

2. BASIS OF PREPARATION – CONTINUED

Significant Judgments

Judgments are reviewed on an ongoing basis. Changes resulting from the effects of amended judgments are recognized in the period in which the change occurs and in any future periods presented.

Information regarding significant areas of critical judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 1 Going concern assessment - As is common with exploration companies, the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time.

- Note 7 Classification of expenditures as exploration and evaluation projects or operating expenses - The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

- Note 7 Impairment of exploration and evaluation projects - While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company's properties, costs to sell the properties and the appropriate discount rate.

- Note 3(j) Disclosure of contingencies - Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments to the Company's assets when the amounts are determined or additional information is acquired.

Nuinsco Resources Limited

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(all amounts in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Company are set out in detail below. Such policies have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Nuinsco and its subsidiaries.

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by Nuinsco. Control exists when Nuinsco has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Significant Company entities are listed in Note 15.

(ii) Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of each subsidiary at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

(ii) Foreign currency translations

When the Company translates the financial statements of subsidiaries from their functional currency to presentation currency, assets and liabilities are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Share capital, contributed surplus, other comprehensive (loss) income, and accumulated deficits are translated into Canadian dollars at historical exchange rates. Revenues and expenses are translated into Canadian dollars at the average exchange rate for the year. Foreign exchange gains and losses on translation are included in other comprehensive (loss) income.

(c) 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 and 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 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 operations and comprehensive (loss) income. The Company does not measure any financial assets at FVPL.

Nuinsco Resources Limited

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(all amounts in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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 consolidated statements of operations and comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of operations and comprehensive (loss) income 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 receivables, 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. All financial liabilities are recognized initially at fair value and in the case of long-term debt, 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 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 finance cost in the consolidated statements operations and comprehensive loss.

Derecognition

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 operations and comprehensive loss.

Financial assets:

Cash	Amortized cost
Receivables, excluding HST	Amortized cost

Financial liabilities:

Trade and other payables	Amortized cost
Long-term liabilities	Amortized cost
Loan Payable	Amortized cost

Nuinsco Resources Limited

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(all amounts in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(d) Property and Equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes any expenditure that is directly attributable to the acquisition of the asset. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within other income in the consolidated statement of operations and comprehensive (loss).

(ii) Depreciation

Depreciation is calculated as a function of the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation commences when assets are available for use. Depreciation is recognized through operations as follows over the estimated useful lives of each part of an item of property and equipment.

The estimated depreciation rate or useful lives for the current and comparative periods are as follows:

Item	Method	Rate
Equipment	Declining balance	20%
Computer	Straight-line	30%

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(f) Exploration and Evaluation Projects

(i) Exploration and Evaluation expenditures

Exploration and Evaluation ("E&E") expenditures relate to costs incurred on the exploration for and evaluation of potential mineral reserves and include costs related to the following: acquisition of exploration rights; conducting geological studies; exploratory drilling and sampling and evaluating the technical feasibility and commercial viability of extracting a mineral resource.

E&E expenditures, including costs of acquiring licenses, are capitalized as E&E assets on an "area of interest basis" which generally is defined as a project. The Company considers a project to be an individual geological area whereby the presence of a mineral deposit is considered favourable or has been proved to exist and, in most cases, comprises a single mine or deposit.

E&E assets are recognized if the rights to the project are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the project, or alternatively by its sale; or
- activities on the project have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the project are continuing.

Once the technical feasibility and commercial viability of the extraction of mineral reserves in a project are demonstrable and permitted, E&E assets attributable to that project are first tested for impairment and then reclassified to Mine property and development projects on the consolidated statement of financial position. Currently, Nuinsco does not hold any assets classified as Mine property and development projects.

Nuinsco Resources Limited

Notes to the Consolidated Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(ii) Pre-E&E expenditures

Pre-E&E expenditures are incurred on activities that precede exploration for an evaluation of mineral resources, being all expenditures incurred prior to securing the legal rights to explore an area. Pre-E&E expenditures are expensed immediately as *Pre-exploration write-offs* through the consolidated statements of operations and comprehensive (loss).

(iii) Impairment

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount and any impairment loss is recognized as write-down of exploration and evaluation projects through the consolidated statement of operations. The following facts and circumstances, among other things, indicate that E&E assets must be tested for impairment:

- the term of exploration license for the project has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the project area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the project area have not led to the discovery of commercially viable quantities of mineral resources and the Company plans to discontinue activities in the specific area; or
- sufficient data exists to indicate that while development activity is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full through such activity.

E&E assets are tested for impairment on an individual project (area of interest) basis. As noted above, a project would also be tested for impairment before being transferred to Mine property and development *projects* on the consolidated statements of financial position.

Likewise, when facts or circumstances exist that suggest previously recognized impairment should be reversed, a gain on impairment reversal is recognized only to the extent that an impairment loss was originally recognized.

(g) Government Grants

Government grants that compensate Nuinsco for expenses incurred are recognized through operations on a systematic basis in the same periods in which the expenses are recognized. Grants that compensate Nuinsco for the cost of an asset are recognized through operations on a systematic basis over the useful life of the asset. For assets which are not being amortized, such as E&E assets or mine property and development projects, the government grant is deducted from the related asset.

(h) Impairment of long-lived assets

The carrying amounts of long-lived assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the Company performed impairment tested at least annually, irrespective of indicators.

The recoverable amount of an asset or cash-generating unit ("CGU") (see definition below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates, or has the potential to generate, cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets, the CGU. Generally, a CGU is analogous to an individual project. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs that are expected to benefit from the synergies of the combination.

Nuinsco Resources Limited

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3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized through operations. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Share-based payments

The grant-date fair value of options granted to employees, directors, and consultants is recognized as an employee expense, with a corresponding increase in equity, over the period that the individuals become unconditionally entitled to the options. The amount recognized as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met.

Share-based payment arrangements in which the Company receives properties, goods, or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions. Such transactions are measured at the fair value of the asset(s) or service(s) received, if they can be reliably measured, otherwise, the fair value of the share-based payment is used.

(j) Provisions

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

In accordance with the Company's environmental policy and applicable legal requirements, a provision for site restoration or decommissioning in respect of land restoration, and the related expense, is recognized when the land is contaminated and there is a legal obligation to restore the site. The Company presently has no decommissioning liabilities.

(k) Flow-Through Shares

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. For accounting purposes, the proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the fair value of a common share and the amount the investor pays for the flow-through share. A liability is recognized for this difference. The liability is reduced and the reduction of premium liability is recorded in other income at the time when the Company incurs the required flow-through eligible expenditures.

A deferred tax liability is recognized, in accordance with IAS 12, Income Taxes, for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the consolidated statement of financial position and its tax base.

The Company indemnifies subscribers of flow-through shares for any tax related amounts that become due as a result of the Company not meeting its flow-through share related obligations.

Nuinsco Resources Limited

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3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(l) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(m) Share Capital

(i) Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(ii) Share-based payment arrangements

Stock Option Plan

The Company has a stock option plan (the "Stock Option Plan"). Awards to non-employees are measured at the fair value of the goods or services received. Awards made to employees are measured at the grant date. All share-based awards made to employees and non-employees are recognized at the date of grant using a fair-value-based method to calculate the share-based payment. The share-based payment is charged to operations over the vesting period of the options or service period, whichever is shorter. Stock options vest either immediately or over a 12-month period.

Share Incentive Plan

The Company has a share incentive plan (the "Share Incentive Plan"), which includes both a share purchase plan (the "Share Purchase Plan") and a share bonus plan (the "Share Bonus Plan"). The Share Incentive Plan is administered by the Directors of the Company. The Share Incentive Plan provides that eligible persons thereunder include Directors, senior officers and employees of the Company and its designated affiliates and consultants who are primarily responsible for the management and growth of the business.

The Share Incentive Plan is described in Note 12. The Company uses the fair value method of accounting for, and to recognize as its share-based payments for employees. Shares issued under the Share Incentive Plan are valued based on the quoted market price on the date of the award. This amount is expensed over the vesting period.

(n) 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 results of operations attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the results of operations attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, using the treasury method, which comprise warrants and share options.

Nuinsco Resources Limited

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board fulfils its responsibility through the Audit Committee which is responsible for overseeing the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management practices are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has an established code of conduct which sets out the control environment within which framework all directors' and employees' roles and obligations are outlined. The Company's risk and control framework is facilitated by the small-sized and hands-on executive team.

Credit Risk

Credit risk is the risk of an unexpected financial loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash.

Cash

The Company's cash is held through large Canadian financial institutions. The Company has a corporate policy of investing its available cash in Canadian government instruments and certificates of deposit or other direct obligations of major Canadian banks, unless otherwise specifically approved by the Board.

Receivables

Amounts due are settled on a regular basis.

When necessary, the Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Further, when the Company engages in corporate transactions, it seeks to manage its exposure by ensuring that appropriate recourse is included in such agreements upon the counterparty's failure to meet contractual obligations.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking undue damage to the Company's reputation.

Presently, the Company is facing a significant shortfall in liquidity before it expects any cash flows from its projects. The Company continues to hold discussions on securing financing or potential sale of assets. There are no assurances that the Company will be successful in obtaining any financing or selling assets, or in accomplishing that on a timely basis or on reasonable or acceptable terms, or at all. If the Company cannot obtain financing or otherwise improve liquidity, it will be unable to fund continuing operations and corporate administration costs (Note 1).

The Company's objective is to maintain sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. This is accomplished by budgets and forecasts which are updated on a periodic basis to understand future cash needs and sources. When possible, spending plans are adjusted accordingly to provide for liquidity.

The Company manages its liquidity risk through the mechanisms described above and as part of Capital management Disclosures below. The Company has historically relied on issuances of shares to develop projects and to finance day-to-day operations and may do so again in the future.

Nuinsco Resources Limited

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT - CONTINUED

All contractually obligated cash flows are payable within the next fiscal year with the exception of the Company's loan payable, deferred director and management fees, which are recorded in long-term liabilities.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Company's income, the value of its E&E properties or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Company is exposed to currency risk on purchases, trade and other payables that are denominated in a currency other than the respective functional currency. The currencies in which these transactions primarily are denominated are the United States dollars ("US\$"). The Company does not actively hedge its foreign currency exposure. Currently the Company does not hold any material amount of foreign currency, thus reducing any currency risk.

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's cash earns interest at variable short-term rates. Accordingly, the estimated effect of a 50 basis points change in interest rate would not have a material effect on the Company's results of operations.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damages to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. The Company has a small but hands-on and experienced executive team which facilitates communication across the Company. This expertise is supplemented, when necessary, by the use of experienced consultants in legal, compliance and industry-related specialties.

Capital Management Disclosures

The Company's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds to support continued project development and corporate activities. Capital is defined by the Company as the aggregate of its shareholders' deficiency as well as any long-term debt, equipment-based and/or project-based financing.

The Company manages its capital structure and makes adjustments to it based on the level of funds available to the Company to manage its operations. In order to maintain or adjust the capital structure, the Company's objectives are to obtain equity, long-term debt, equipment-based financing and/or project-based financing sufficient to maintain and expand its operations. There are no assurances that these initiatives will be successful.

Neither the Company, nor any of its subsidiaries, are subject to externally imposed capital requirements. There were no changes in the Company's approach to financial risk management or capital management during the period.

Fair value hierarchy

The different levels of valuation are defined as follows:

Nuinsco Resources Limited

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4. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT - CONTINUED

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); and

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

The carrying value of these financial instruments approximate their fair value due to their immediate or short term to maturity, or their ability for liquidation at comparable amounts.

5. RECEIVABLES

	December 31, 2023	December 31, 2022
Receivables from sale of mining property (Note 7)	\$ -	\$ 300,000
Sales tax receivable	18,007	46,588
	\$ 18,007	\$ 346,588

6. PROPERTY AND EQUIPMENT

Equipment	Cost	Accumulated Depreciation	Carrying Amount
Balance as at December 31, 2021	\$ 113,181	\$ 109,900	\$ 3,281
Depreciation	-	936	(936)
Balance as at December 31, 2022	113,181	110,836	2,345
Depreciation	-	530	(530)
Balance as at December 31, 2023	\$ 113,181	\$ 111,366	\$ 1,815

7. EXPLORATION AND EVALUATION PROJECTS

	Prairie Lake	Sunbeam	Dash Lake	Zig Zag Lake	El Sid	Total
Balance, December 31, 2021	\$ 253,365	\$ 700,000	\$ 33,990	\$ 37,048	\$ 589,072	\$ 1,613,475
Sale of property	-	(700,000)	-	-	-	(700,000)
Option Payments	-	-	20,000	6,000	-	26,000
Project expenditures	261,248	64,920	42,447	6,210	63,335	438,160
Impairment write-down	-	(64,920)	(96,437)	-	-	(161,357)
Balance, December 31, 2022	514,613	-	-	49,258	652,407	1,216,278
Option payments	-	-	-	23,500	-	23,500
Project expenditures	201,188	-	24,192	1,000	53,753	280,133
Disposal	-	-	-	(73,758)	-	(73,758)
Impairment write-down	-	-	(24,192)	-	(706,160)	(730,352)
Balance, December 31, 2023	\$ 715,801	\$ -	\$ -	\$ -	\$ -	\$ 715,801

Prairie Lake

The Prairie Lake project, located near Marathon, Ontario, is within a large carbonatite intrusion hosting a number of commodities of potential commercial interest including phosphate (P2O5), niobium (Nb) tantalum (Ta), uranium, rare earth elements ("REEs"), and other elements and compounds. The Prairie Lake project is owned 100% by the Company, is royalty-free and consists of nine claims comprising of 46 mining claims (27 single cell and 19 boundary cell mining claims), encompassing 608 ha. Evaluation, analytical sampling, and metallurgical and process testing are ongoing.

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7. EXPLORATION AND EVALUATION PROJECTS - CONTINUED

Sunbeam Gold Property

In February 2018, the Company acquired the Sunbeam Gold Property, which is located about 30km northeast of Atikokan, north-western Ontario and is readily accessible by road. The property is composed of 101 mining claims (99 single cell and 2 boundary cell mining claims) totalling 1,552ha and is the site of a former patented mining claim that encompassed the Sunbeam Mine.

On October 3, 2022, the Company entered into an option agreement (the "Agreement I") with First Class Metals PLC ("FCM") on the Sunbeam Gold Property (the "Project").

Under the terms of the Agreement I, FCM can acquire a 100% interest in the Project on the following basis:

- making aggregate payments to Nuinsco of \$700,000 in three tranches comprising:
 - \$400,000 within 10 (ten) business days of the execution of the Agreement (received);
 - \$150,000 prior to the four-month anniversary of execution of the Agreement (received); and,
 - \$150,000 prior to the eight-month anniversary of execution of the Agreement (received);
- expending on the Project \$750,000 in exploration expenses within three years of executing the Agreement, of which \$50,000 must be spent in the first year;
- paying to Nuinsco \$250,000 upon estimating an Indicated Resource containing 250,000 ounces of gold, and paying to Nuinsco an additional \$250,000 upon estimating an additional Indicated Resource containing 250,000 ounces of gold (for a total Indicated Resource containing 500,000 ounces of gold) (the "Earnout Receivable"); and,
- providing to the Company a 1% net smelter return royalty.

The Company received the payments of \$400,000 in October 2022, \$150,000 in February 2023 and \$150,000 in June 2023. The Company recognized \$nil gain on the sale of property and fully impaired the capitalized project expenditures of \$64,920 during the year ended December 31, 2022.

The Earnout Receivable was considered a contingent consideration. Management has assessed that the Earnout Receivable is considered highly improbable and accordingly has not recognized the Earnout Receivable.

Dash Lake

On March 19, 2021, the Company announced the expansion of its prospective gold property holdings through an option agreement (the "Agreement II") to acquire a 100% interest in the Dash Lake gold project. On February 13, 2023, the Company formally informed the optionor of Agreement II that the Company will not be continuing with the Agreement II effective March 8, 2023. After the termination of the Agreement II, the Company held no rights with respect to Dash Lake. During the year ended December 31, 2022, the Company fully impaired the capitalized project expenditures on Dash Lake property and resulting in an impairment charge of \$96,437. During the year ended December 31, 2023, additional expenditures of \$24,246 incurred on Dash Lake project and resulted in an impairment charge of \$24,246.

Zig Zag Lake

On June 19, 2021, the Company signed an option agreement (the "Agreement III") to acquire a 100% interest in the Zig Zag Lake lithium-tantalum property located approximately 68 kilometres east-northeast of Armstrong, Ontario. Terms of Agreement III are:

- On signing, an \$8,000 cash payment (paid in 2021) and 200,000 common shares of the Company on signing (issued in 2021);
- On the first anniversary a \$15,000 cash payment and 200,000 common shares of the Company (issued June 29, 2021 with a fair market value of \$4,000);
- On the second anniversary a \$20,000 cash payment (\$14,000 paid in cash, \$6,000 paid with 600,000 common shares) and 200,000 common shares of the Company;
- on the third anniversary a \$30,000 cash payment and 200,000 shares of the Company;
- on the fourth anniversary a \$40,000 cash payment and 200,000 shares of the Company.

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7. EXPLORATION AND EVALUATION PROJECTS – CONTINUED

Zig Zag Lake (Continued)

The optionors will retain a 2% Net Smelter Return royalty, 1% of which can be acquired by Nuinsco for \$1,200,000. Work commitments of \$6,000, \$10,000, \$20,000 and \$40,000 are required in years one through four, respectively, of the option term.

During the year ended December 31, 2023, the Company paid additional cash of \$20,500 to the seller of Zig Zag Project according to Agreement III. The Company also issued 480,000 of common shares with value of \$3,000 to the seller of Zig Zag Project. During the year ended December 31, 2023, the Company incurred \$1,000 expenditures on Zig Zag Project.

In March 2023, the Company and FCM finalized an Option Agreement with Zig Zag Project (the “Agreement IV”). Terms of the deal: FCM has an option to earn-in up to an 80% interest in the Zig Zag project mining claims. The payments for the exercise of this option include a cash component of \$500,000 and a share component of \$250,000 in FCM shares spread across approximately 3.5 years and comprises of: \$50,000 cash upon execution of the agreement (received) and \$25,000 of FCM shares within 30 days execution of the Agreement (received 117,701 shares), \$75,000 cash (received) and \$30,000 FCM shares by June 1 2023 (received 277,436), \$100,000 cash and \$50,000 FCM shares by June 1 2024, \$125,000 cash and \$60,000 FCM shares by June 1 2025, \$150,000 cash and \$85,000 FCM shares by June 1 2026. Additionally, FCM has committed to undertake exploration related expenses on the property over the same period to a value of \$550,000. In the event that the Optionee disposes of the property for valuable consideration, the Optionee agrees to pay to the Optionors 10% of the proceeds received by the Optionee from such disposition net of any costs incurred from the sale.

During the year ended December 31, 2022, the Company received \$10,000 from FCM, which was recorded as an option deposit on the consolidated statement of financial position. In March and June 2023, the Company received an additional cash of \$115,000. In October 2023, the Company received 117,701 of shares and 159,735 of shares from FCM with fair value of \$42,233.

During the year ended December 31, 2023, the Company derecognized the Zig Zag Project to \$nil and recorded a gain of \$93,475 from disposal of Zig Zag Project. All shares of FCM were sold in 2023 for proceeds of \$28,927, resulting in a realized loss of \$13,306.

El Sid

El Sid gold dumps and tailings recovery operation (“El Sid”) located in the Eastern Desert of Egypt approximately 90km west of the Red Sea coast. Three past producing gold mines are located on the project site – the largest of which is the El Sid Mine that between 1940 and 1957 was Egypt’s largest gold producer. In 2018, Nuinsco, through its Egyptian subsidiary Z-Gold Resources, won the opportunity to evaluate and exploit the waste dumps and tailings from the project owner, Shalateen Mineral Resources Company (“SMRC”), a company established by the Egyptian Government. SMRC has the surface mineral rights from the Egyptian Mineral Resources Authority. During the year ended December 31, 2022, the Company entered into exclusivity agreements with third party with respect to the potential sale of the project, and received \$12,720 (USD \$10,000) from the third party which was recorded as an option deposit on the statement of financial position. As the exclusivity period ended without a deal closing, the deposit was included as other income in March 2023. As at December 31, 2023, the Company fully impaired the project due to the uncertainty around obtaining funding to further development.

Other Properties

Included in other income is \$28,435 representing the recovery of a deposit on properties previously written off.

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8. LOAN PAYABLE

On April 28, 2020, the Company received an interest free government loan of \$40,000, and an additional \$20,000 on December 29, 2020 (collectively "CEBA loans"). On January 1, 2021, the outstanding balance of the CEBA loans automatically converted to a two-year interest free term loan. The loan could be repaid at any time without penalty. On January 12, 2022, the Department of Finance extended the repayment deadline from December 31, 2022 to December 31, 2023, and subsequently extended the deadline to January 18, 2024. The benefit of the government loan received at below market rate of interest is treated as a government grant. On January 12, 2022, the CEBA loans of \$60,000 was recognized at its fair value of \$48,199, using a discount rate at the Company's incremental borrowing rate of 11% per annum. The difference of \$11,801 between the face value of the CEBA loans and its fair value was recorded as gain on government grant during the year ended December 31, 2022. The note was not repaid by January 18, 2024, and thus was converted to a 3-year term loan, subject to interest of 5% per annum.

9. LONG-TERM LIABILITIES

Long-term liabilities consist of accrued directors' fees and certain management consulting fees, payable to the Chief Executive Officer ("CEO") and Executive Vice President ("EVP"). Until the ongoing viability of the Company can be assured, the directors and management have agreed to provide 12 months' notice on calling the repayment of the fees. The amounts are therefore classified as long-term. The following table presents breakdown of the long-term liabilities:

	Directors' fees	Consulting fees to CEO	Consulting fees to EVP	Total
Balance, January 1, 2022	\$553,525	\$ 975,000	\$ 251,000	\$1,779,525
Addition	42,500	150,000	43,000	235,500
Balance, December 31, 2022	596,025	1,125,000	294,000	2,015,025
Addition	42,500	150,000	48,000	240,500
Balance, December 31, 2023	\$638,525	\$1,275,000	\$ 342,000	\$2,255,525

10. SHARE CAPITAL AND OTHER COMPONENTS OF SHAREHOLDERS' DEFICIENCY

Share Capital

The Company is authorized to issue an unlimited number of common shares.

Number of common shares issued and outstanding

	Notes	Number of Shares	Amount
Balance as at December 31, 2021		567,229,014	\$100,851,779
Shares issued on private placement	(a)	1,875,000	30,000
Value of warrants issued	(a)	-	(9,900)
Exercise of stock options	(c)	2,399,998	32,000
Value of options exercised transferred from contributed surplus		-	32,000
Shares issued to settle debt	(b)	1,500,000	15,000
Shares issued for option payment on ZigZag	7	800,000	9,000
Balance as at December 31, 2022		573,804,012	100,955,879
Shares issued on private placement	(d)	17,887,500	114,480
Value of warrants issued	(d)	-	(36,300)
Shares issued to settle debt	(e)	572,000	2,860
Shares issued for option payment on ZigZag	(f)	600,000	3,000
Balance as at December 31, 2023		592,863,512	\$101,043,919

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10. SHARE CAPITAL AND OTHER COMPONENTS OF SHAREHOLDERS' DEFICIENCY – CONTINUED

- a. On January 29, 2022, the Company closed a private placement financing for gross proceeds of \$30,000 through the issuance of 1,875,000 unit at \$0.016 per unit. Each Unit consisted of one common share of the Company issued on a "flow-through" basis pursuant to the Income Tax Act (Canada) and one-half warrant ("Warrant"). Each whole Warrant entitles the holder thereof to purchase one common share of the Company (non-flow-through) at an exercise price of \$0.05 per share for a period of 24 months from the Issue Date. These warrants were assigned a value of \$9,900 using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate 0.44%; expected volatility of 384%; expected dividend yield of 0% and an expected life of two years.
- b. In 2022, the Company settled debt in the amount of \$22,500 with a non-related party with the issuance of 1,500,000 shares. On the date of issuance, the shares had a fair market value of \$15,000 resulting in a gain on settlement of \$7,500.
- c. During the year ended December 31, 2022, 2,399,998 stock options were exercised for proceeds of \$32,000 and \$32,000 was transferred from contributed surplus to share capital.
- d. On August 31, 2023, the Company closed a private placement financing for gross proceeds of \$114,480 through the issuance of 17,887,500 unit at \$0.0064 per unit. Each Unit consisted of one common share of the Company issued on a "flow-through" basis pursuant to the Income Tax Act (Canada) and one-half warrant ("Warrant"). Each whole Warrant entitles the holder thereof to purchase one common share of the Company (non-flow-through) at an exercise price of \$0.05 per share for a period of 36 months from the Issue Date. These warrants were assigned a value of \$36,300 using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate 4.40%; expected volatility of 260%; expected dividend yield of 0% and an expected life of three years.
- e. The Company settled debt in the amount of \$2,860 with a non-related party with the issuance of 572,000 shares.
- f. In August 2023, the Company issued 600,000 shares for Zig Zag Lake per Agreement III with value of \$3,000 (Note 7).

11. LOSS PER SHARE

The warrants and options outstanding were excluded from the computation of diluted loss per share in 2023 and 2022 because their impact was anti-dilutive.

12. SHARE-BASED PAYMENTS

Stock option plan (equity-settled)

The Company has a Stock Option Plan to encourage ownership of its shares by key management personnel (directors and executive management), employees and consultants, and to provide compensation for certain services. The terms of the Stock Option Plan provide that the directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant. No compensation is recognized when options are exercised. The number of shares reserved for issuance is not to exceed 15% of the aggregate number of common shares issued and outstanding (calculated on a non-diluted basis) from time to time.

As at December 31, 2023, the Company had 8,780,216 (December 31, 2022 – 15,461,291) common shares remaining available for the granting of future options. Options are exercisable at the market price of the shares on the date preceding the date of grant.

The terms and conditions relating to the grants of the Stock Option Plan are as follows:

- Options vest on the date of grant.
- All options are to be settled by physical delivery of shares.

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12. SHARE-BASED PAYMENTS - CONTINUED

The following is a summary of the activity of options:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Number of options	Weighted average ex- ercise price	Number of options	Weighted average exercise price
Balance, beginning of year	70,549,311	\$ 0.012	72,949,309	\$ 0.008
Granted	9,600,000	0.005		
Exercised	-	-	(2,399,998)	0.011
Balance, end of year	80,149,311	\$ 0.011	70,549,311	\$ 0.012

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

Number of Options	Exercise Price	Expiry date	Weighted average expiry (years)
4,150,000	\$ 0.010	August 26, 2024	0.65
15,909,309	\$ 0.005	November 17, 2025	1.88
6,290,000	\$ 0.010	February 11, 2026	2.12
8,733,334	\$ 0.015	February 28, 2026	2.17
10,833,334	\$ 0.015	April 22, 2026	2.31
9,633,334	\$ 0.015	May 5, 2026	2.35
15,000,000	\$ 0.015	August 23, 2026	2.65
9,600,000	\$ 0.005	March 1, 2028	4.17
80,149,311			2.40

Share purchase warrants

The following is a summary of the activity of warrants for the years ended December 31, 2023 and 2022:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Number of warrants	Weighted aver- age exercise price	Number of warrants	Weighted aver- age exercise price
Balance, beginning of year	28,285,000	\$ 0.050	41,798,500	\$ 0.050
Expired	(26,875,000)	(0.050)	(14,450,000)	(0.050)
Granted	8,943,750	0.050	937,500	0.050
Balance, end of year	10,353,750	\$ 0.050	28,285,000	\$ 0.050

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12. SHARE-BASED PAYMENTS - CONTINUED

As at December 31, 2023 the warrants outstanding are as follows:

Number of warrants	Exercise price	Expiry date	Weighted average expiry (years)
472,500	\$ 0.050	June 29, 2024	0.50
937,500	\$ 0.050	January 29, 2024	0.08
8,943,750	\$ 0.050	August 31, 2026	2.67
10,353,750			2.33

13. OPERATING SEGMENT

Reporting Segment

The Company is engaged in the exploration and evaluation of properties for the mining of precious and base metals. The Company does not have formal operating segments and does not have operating revenues, products or customers. The corporate office operates to support the Company's projects which are currently located in Canada and Egypt. Senior management makes decisions by considering exploration potential and results on a project basis. Any applicable amounts relating to projects are capitalized to the relevant project as Exploration and Evaluation projects on the consolidated statements of financial position.

14. RELATED PARTIES AND MANAGEMENT AGREEMENTS

Related Party Balances and Transactions

Short-term employee benefits provided by the Company to key management personnel include salaries, consulting fees and directors' fees. The Company's non-monetary benefit package for key management personnel is the same as that available to all full-time employees. In addition to short-term employee benefits, the Company may also issue shares as part of the Share Bonus Plan and the Stock Option Plan. Transactions with related parties for years ended December 31, 2023 and 2022 are shown in the following table:

	2023	2022
Short-term employee benefits	\$ 288,500	\$ 288,500
Share-based compensation	29,997	-
	\$ 318,497	\$ 288,500

During the year ended December 31, 2023, the Company was charged \$48,000 (2022 - \$48,000) by CFO Advantage Inc., a company controlled by Kyle Appleby, the Chief Financial Officer of the Company. As at December 31, 2023, \$212,580 of such fees (December 31, 2022 - \$179,080) is included in accounts payable and accrued liabilities.

During the year ended December 31, 2023, the Company was charged \$150,000 (2022 - \$150,000) by the CEO of the Company. As at December 31, 2023, \$1,275,000 (December 31, 2022 - \$1,125,000) is owing for management fees and is included in long-term liabilities (Note 10). The Company also owes the CEO \$25,120 (2022 - \$50,657) for expenses paid for on behalf of the Company and advances.

During the year ended December 31, 2023, the Company was charged \$48,000 (2022 - \$48,000) by the EVP of the Company. As at December 31, 2023, \$342,000 (December 31, 2022 - \$294,000) was owing to Executive Vice President and was included in long-term liabilities (Note 10).

As at December 31, 2023, two directors are owed a total of \$20,000 for funds advanced to the Company with no interest, and no terms of repayment.

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15. COMPANY ENTITIES

Significant Subsidiaries and Jointly-Controlled Entities

		December 31, 2023	December 31, 2022
	Country of Incorporation		
Ownership Interest			
Lakeport Gold Corporation	Canada	100%	100%
Nuinsco Madencilik Sanaye Ticaret	Turkey	100%	100%
Nuinsco Exploration Inc.	BVI	70%	70%
Z-Gold Resources Limited (through Nuinsco Exploration Inc.)	Egypt	70%	70%
NuMENA Minerals Corp.	Canada	100%	100%

All of these subsidiaries have nominal assets and liabilities.

16. CONTINGENCIES

Nuinsco has been served with a third-party claim related to 30-year-old historical transaction. Documents have been requested from the opposing parties, to which the Company is awaiting final receipt of all documents. Once those documents are received, they will be considered with a view to understanding the implications of the claim. Based on information received to date, the Company considers the claim without merit.

Commitments

For ZigZag Lake, per Agreement III, the Company is obligated to pay \$70,000 in cash to the optionors during the years ended December 31, 2024 to 2025 for the acquisition of ZigZag Lake property. (Note 7).

17. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2021 - 26.5%) to the effective tax rate is as follows:

	2023		2022	
Net loss for the year	\$	(1,241,310)	\$	(640,442)
Expected income tax recovery	\$	(328,947)	\$	(169,717)
Share-based compensation and other Non-deductible expenses		12,719		39,260
Tax benefits not recognized		316,228		130,457
Income taxes	\$	-	\$	-

The Canadian operating tax losses expire as noted in the table below. The operating tax losses of the foreign subsidiaries have not been disclosed as the Company no longer has any significant foreign operations. The capital losses may be carried forward indefinitely but can only be used to reduce capital gains. The remaining deductible temporary differences may be carried forward indefinitely. Deferred 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 utilize the benefits therefrom.

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17. INCOME TAXES - CONTINUED

The Company's Canadian non-capital income tax losses expire as follows:

<u>Year</u>	<u>Non-capital Losses</u>
2038	\$ 353,410
2039	370,810
2040	163,310
2041	150,490
2042	303,854
2043	328,234
	<u>\$ 1,670,108</u>

18. SUBSEQUENT EVENTS

In January 2024, 500,000 options were granted to a director. The options have an exercise price of \$0.005 and expire 5 years from the date of grant.