



Financial Statements

For the years ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

## Management's Responsibility for Financial Reporting

The accompanying financial statements of McLaren Resources Inc. (the "Company") are the responsibility of management and the Board of Directors. The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial position, results of operations and cash flows of the Company, as of the date of and for the years presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

The Audit Committee has met with the Company's independent auditor to review the scope and results of the annual audit and to review the financial statements and related financial reporting matters prior to recommending the financial statements be approved.

(signed) "Radovan Danilovsky"  
Radovan Danilovsky  
President  
December 28, 2023

## **INDEPENDENT AUDITORS' REPORT**

To the Shareholders of McLaren Resources Inc.

### **Opinion**

We have audited the financial statements of McLaren Resources Inc. (the “Company”), which comprise the statement of financial position as at September 30, 2023 and 2022, and the statements of comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at September 30, 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 for Opinion**

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

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss in the past and currently has an accumulated deficit of \$9,453,994. As stated in Note 1, these events or conditions, along with other matters 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 Matters**

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended September 30, 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 above, *Material Uncertainty Related to Going Concern* to be the only key audit matter to be communicated in our report.

### **Other Information**

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

- Management’s Discussion and Analysis; and

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other

information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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 IFRSs, 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.

**MS PARTNERS LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Nick Miseros.

*MS Partners LLP*

Licensed Public Accountants  
Toronto, Canada  
December 28, 2023



Statements of Financial Position  
As at,

Expressed in Canadian Dollars	Note	September 30, 2023	September 30, 2022
<b>Assets</b>			
<b>Current assets</b>			
Cash	4	\$ 155,756	\$ 365,924
Marketable securities	5	4,026	5,147
Accounts receivable	6	6,674	83,292
Prepaid expenses	7	5,217	13,776
<b>Total assets</b>		<b>\$ 171,673</b>	<b>\$ 468,139</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9, 11	\$ 32,692	\$ 302,556
Flow through premium liability	12(b)(x)	46,806	-
		<b>79,498</b>	<b>302,556</b>
<b>Shareholders' equity</b>			
Share capital	12	9,232,223	8,946,838
Warrant reserve	12(c)	228,679	132,956
Stock option reserve	12(d)	85,267	119,280
Deficit		(9,453,994)	(9,033,491)
		<b>92,175</b>	<b>165,583</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 171,673</b>	<b>\$ 468,139</b>

Nature of Operations and Going Concern (Note 1)  
Commitments and contingencies (Note 10)

On behalf of the Board of Directors on December 28, 2023

"John Heslop" (signed)  
Director

"Paul Crath" (signed)  
Director

*The accompanying notes form an integral part of these financial statements*

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Statements of Loss and Comprehensive Loss  
For the years ended September 30,

(Expressed in Canadian Dollars)	Note	2023	2022
Management fees	11	\$ 112,000	\$ 84,000
Consulting fees	11	57,445	62,000
Director fees		28,000	-
Office, general and administrative		29,524	22,559
Professional fees		20,792	24,645
Investor relations		2,927	10,515
Listing, filing and regulatory		20,302	15,928
Insurance	7	12,967	11,928
Share-based compensation	12(d)	10,057	87,131
<b>Total expenses</b>		<b>294,014</b>	<b>318,706</b>
<b>Loss before undernoted</b>		<b>(294,014)</b>	<b>(318,706)</b>
Exploration and evaluation	8	(172,643)	(719,888)
Flow-through premium recovery		3,204	76,160
Unrealized (Loss) Gain on marketable securities		(1,120)	1,135
<b>Net loss and comprehensive loss for the year</b>		<b>\$ (464,573)</b>	<b>\$ (961,299)</b>
<b>Loss per share</b>			
Net loss per share - basic and fully diluted		\$ (0.00)	\$ (0.01)
Weighted average number of shares - basic and diluted		87,752,823	77,515,817

*The accompanying notes form an integral part of these financial statements*



# Statements of Changes in Shareholders' Equity

	Note	Share Capital		Reserves		Accumulated Deficit	Total
		Number of Shares	Amount \$	Warrants \$	Stock Options \$		
<b>Balance at September 30, 2021</b>		<b>74,365,511</b>	<b>8,462,529</b>	<b>178,389</b>	<b>177,122</b>	<b>(8,395,554)</b>	<b>422,486</b>
Shares issued for mineral property	12(b)(i)	150,000	9,000	-	-	-	9,000
Private Placement Flow-through - common shares	12(b)(ii)	3,808,000	266,560	-	-	-	266,560
Share issued for finders fees	12(b)(ii)	226,000	-	-	-	-	-
Share issue costs	12(b)(ii)	-	(2,205)	-	-	-	(2,205)
Issuance of broker warrant	12(b)(ii)	-	(26,562)	26,562	-	-	-
Flow-through share price premium	12(b)(ii)	-	(76,160)	-	-	-	(76,160)
Grant of options	12(b)(iii)	-	-	-	75,210	-	75,210
Private Placement Flow-through - common shares	12(b)(iv)	6,001,000	420,070	-	-	-	420,070
Share issued for finders fees	12(b)(iv)	286,000	-	-	-	-	-
Issuance of warrants	12(b)(iv)	-	(106,394)	106,394	-	-	-
Cancellation of expired warrants	12(b)	-	-	(178,389)	-	178,389	-
Grant of options	12(b)(v)	-	-	-	11,921	-	11,921
Cancellation of expired warrants	12(b)(v)	-	-	-	(144,973)	144,973	-
<b>Net loss for the year</b>		-	-	-	-	(961,299)	(961,299)
<b>Balance at September 30, 2022</b>		<b>84,836,511</b>	<b>8,946,838</b>	<b>132,956</b>	<b>119,280</b>	<b>(9,033,491)</b>	<b>165,583</b>
Shares issued for mineral property	12(b)(vi)	80,000	5,600	-	-	-	5,600
Private Placement Flow-through - common shares	12(b)(vii)	1,541,000	107,870	-	-	-	107,870
Shares issued for finder fees	12(b)(vii)	58,000	-	-	-	-	-
Share issue costs	12(b)(vii)	-	(2,402)	-	-	-	(2,402)
Issuance of warrants	12(b)(vii)	-	(26,815)	26,815	-	-	-
Shares issued for services	12(b)(viii)	1,000,000	70,000	-	-	-	70,000
Expiry of options	12(b)(ix)	-	-	-	(16,676)	16,676	-
Issuance of options	12(b)(ix)	-	-	-	10,057	-	10,057
Private Placement Flow-through - common shares	12(b)(x)	3,334,000	250,050	-	-	-	250,050
Issuance of warrants	12(b)(x)	-	(68,908)	68,908	-	-	-
Shares issued for finder fees	12(b)(x)	334,000	-	-	-	-	-
Share price premium on Flow-through shares	12(b)(x)	-	(50,010)	-	-	-	(50,010)
Expiry of options	12(b)(vii)	-	-	-	(27,394)	27,394	-
<b>Net loss for the year</b>		-	-	-	-	(464,573)	(464,573)
<b>Balance at September 30, 2023</b>		<b>91,183,511</b>	<b>9,232,223</b>	<b>228,679</b>	<b>85,267</b>	<b>(9,453,994)</b>	<b>92,175</b>

The accompanying notes form an integral part of these financial statements



# McLaren

## RESOURCES

### Statement of Cash Flows For the years ended September 30,

(Expressed in Canadian Dollars)	2023	2022
<b>Net loss for the years ended:</b>	<b>\$ (464,573)</b>	<b>\$ (961,299)</b>
Items not affecting cash		
Shares issued for services	70,000	-
Shares issued for property	5,600	9,000
Share-based compensation	10,057	87,131
(Gain) on value of marketable securities	1,121	(1,135)
Flow-through share premium	(50,010)	(76,160)
	<b>(427,805)</b>	<b>(942,463)</b>
<b>Changes in non-cash working capital activities:</b>		
Amounts receivable	76,618	(76,510)
Prepaid expenses	8,559	(9,380)
Flow-through share price premium liability	46,806	-
Accounts payable and accrued liabilities	(269,864)	268,752
Net changes in non-cash working capital balances	<b>(137,881)</b>	<b>182,862</b>
<b>Net cash flows used in operating activities:</b>	<b>(565,686)</b>	<b>(759,601)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from flow-through private placements	107,870	266,560
Proceeds from common share private placement	250,050	420,070
Share issuance costs	(2,402)	(2,205)
<b>Net Cash flows from financing activities:</b>	<b>355,518</b>	<b>684,425</b>
Net change in cash during the year	<b>(210,168)</b>	<b>(75,176)</b>
Cash, beginning of the year	<b>365,924</b>	<b>441,100</b>
<b>Cash, end of year</b>	<b>\$ 155,756</b>	<b>\$ 365,924</b>
<b>Non-Cash items during the years:</b>		
Value of common shares issued for mineral property	\$ 5,600	\$ 9,000
Value of commons shares issued for services	\$ 70,000	-
Value of shares issued from finder fees	\$ 29,110	\$ 20,020
Income taxes	-	-

*The accompanying notes form an integral part of these financial statements*



Notes to the Financial Statements  
September 30, 2023 and 2022  
(Expressed in Canadian dollars)

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## **1. NATURE OF BUSINESS AND GOING CONCERN**

McLaren Resources Inc. (the "Company" or "McLaren") was incorporated on July 13, 1999 under The Business Corporations Act (Ontario). The Company is listed on the Canadian Stock Exchange ("CSE"), having the symbol MCL. The Company is currently engaged in the acquisition, exploration and development of mineral properties. The address of the Company's corporate office and principal place of business is 44 Victoria Street, Suite 1616, Toronto, Ontario M5C 1Y2.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business for the foreseeable future. As at September 30, 2023, the Company has been incurring losses and has an accumulated deficit of \$9,453,994 (September 30, 2022 - \$9,033,491). The Company has not yet achieved profitable operations and expects to incur further losses in the development of its business. Management intends to obtain further financing through the issuance of flow through shares and private placements. While management has been successful in the past, the ultimate outcome of these matters cannot presently be determined because they are contingent on future events. However, the Company's management believes that it will be successful in meeting its business objectives, and that the going concern assumption remains appropriate.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

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 unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.

## **2. BASIS OF PRESENTATION**

### **(a) Statement of compliance**

These financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies set out below have been applied consistently to all periods presented unless otherwise noted.

The financial statements for the years ended September 30, 2023 and 2022, were reviewed, approved and authorized for issue by the Audit Committee and Board of Directors on December 28, 2023.

## **BASIS OF PRESENTATION (continued)**

### **(b) Basis of measurement**

These financial statements have been prepared on the historical cost basis, except for financial instruments designated at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars, which is the Company's functional currency. All values are rounded to the nearest dollar.

### **(c) Use of estimates and judgments**

The preparation of financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, equity or earnings. These estimates and assumptions notably relate to the following items:

Measurement of impairment in available-for-sale financial assets - The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statements of loss and comprehensive loss. The impairment loss recognized in the statements of loss and comprehensive loss is a reclassification of unrealized losses resulting from the decline in fair value previously recorded in other comprehensive loss.

Significant or prolonged decline is defined by management as a decline in fair value of at least 50% below original cost or a decline in fair value below original cost for at least 24 months.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The policies applied in these financial statements are based upon IFRS issued and outstanding as of September 30, 2023.

### **(a) Exploration and evaluation expenditures**

Exploration expenditures typically include costs of prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures reflect costs incurred at the exploration projects related to establishing the technical and commercial viability of mineral deposits identified through exploration. Evaluation expenditures include the costs of (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven probable reserve, (ii) determining the optimal methods of extraction and metallurgical and treatment processes, (iii) studies related to surveying, transportation and infrastructure requirements, (iv) permitting activities, and (v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

### **(b) Rehabilitation and restoration**

The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. Provision for the rehabilitation and restoration is recorded when an obligation is incurred with a corresponding increase in related asset. At each date of the statement of financial position, the provision for rehabilitation and restoration is re-measured in line with changes in discount rates, timing and other costs to be incurred. The provision amount is periodically reviewed and updated based on the facts and circumstances available. As at September 30, 2023 the Company did not incur any rehabilitation and restoration obligation.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Financial instruments

##### Financial assets

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities, except for financial assets and financial liabilities classified as fair value through profit or loss, are measured at fair value plus or minus transactions costs on initial recognition. Financial assets and financial liabilities at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred.

The following summarizes the Company's classification and measurement of financial assets and financial liabilities:

- Cash and cash equivalents and account receivable, are classified as loans and receivables are now classified as amortized cost ("AC").
- Equity investments have been designed as fair value through other comprehensive income ("FVTOCI").
- Accounts payable and long-term debt is classified as amortized cost ("AC").
- Derivative liability is classified as fair value through profit or loss ("FVTPL").

##### Financial Assets at Amortized Cost

Cash and cash equivalents and accounts receivable are held with the objective of collecting contractual cash flows and those cash flows are solely payments of principal and interest and are classified as amortized cost.

After initial recognition, these assets are carried at amortized cost, using the effective interest method, less any impairment loss. The carrying amount of the financial asset is reduced through an allowance account, and impairment loss is recognized in profit or loss.

The Company does not currently hold any derivative assets.

##### Financial liabilities

The Company classifies its financial liabilities into one of two categories depending on the purpose for which the liability was assumed. The Company's accounting policy for each category is as follows:

- i) **Fair value through profit or loss** - This category comprises financial liabilities designated upon initial recognition as FVPL. FVPL are carried in the statement of financial position at fair value recognized in the statement of income (loss) for the period.
- ii) **Financial liabilities measured at amortized cost** - Financial liabilities measured at amortized cost comprise accounts payables and accrued liabilities. Accounts payable and accrued liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company's accounts payables and accrued liabilities, due to their short term nature and approximation to their carrying values, are classified as current liabilities. The Company's financial instruments consist of the following:

Instrument	Classification and Measurement
Cash	FVTPL
Marketable securities	Fair value through profit or loss
Accounts payable and accrued liabilities	Amortized Cost

#### *Fair value hierarchy classification of financial instruments*

IFRS 7 establishes a fair value hierarchy that reflects the significance of inputs in measuring fair value as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3 - inputs for the assets or liability that are not based on observable market data (unobservable inputs)

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level or input that is significant to the measurement of fair value.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

#### **(d) Cash**

Cash consists of highly liquid investments that are readily convertible to known amounts of cash and have maturity dates of three months or less from the date of purchase. Cash consists of cash on deposit with a major Canadian bank. Cash is classified as Amortized Cost and are measured at Amortized Cost.

#### **(e) Marketable securities**

Marketable securities include publicly traded equity shares and warrants which have been classified as fair value through profit and loss under the fair value option ("FVO") and are carried at fair value based on quoted market prices. The increase or decrease in fair value is reported as income or loss.

#### **(f) Prepaid expenses**

Prepaid expenses represents advance payments made to vendors for expenses applicable to a future period.

#### **(g) Decommissioning obligations**

The liability for a decommissioning obligation, such as site reclamation costs, is recorded when a legal or constructive obligation exists and is recognized in the period in which it is incurred. The Company records the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. The liability is accreted to reflect the passage of time and adjusted to reflect changes in the timing and amount of estimated future cash flows. As at September 30, 2023, the Company has determined that it does not have material decommissioning obligations.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Share Capital

Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital. Share capital issued for non-monetary consideration is recorded at an amount based on fair value on the date of issue. The company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned nil value and included in capital stock with the common shares that were concurrently issued. Warrants that are issued as payment for agency fees or other transaction costs are accounted for as stock-based compensation.

#### Unit Offerings

The Company uses the residual method to value shares and warrants, whereby proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, any excess is allocated to warrants.

#### (i) Stock-based compensation

The Company accounts for share-based payments using the fair value method. Under this method, compensation expense for employees is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in stock options reserve, a component of equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility. Upon the exercise of stock options, consideration paid by the option holder together with the amount previously recognized in the stock options reserve account is recorded as an increase to share capital. For those options that are cancelled or expire after vesting, the recorded fair value is transferred from stock options reserve to deficit.

#### (j) Title to exploration and evaluation property interests

Although the Company has taken steps to verify title to exploration and evaluation 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.

#### (k) Flow-through shares

Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Common shares issued on a flow-through basis typically include a premium because of the tax benefits provided to the investor. At the time of issue, the Company estimates the proportion of the proceeds attributable to the premium and the common shares. The premium is estimated as the excess of the subscription price over the value of common shares on the date of the transaction and is recorded as a deferred liability. The Company recognizes a pro-rata amount of the premium through the statement of loss and comprehensive loss as other income with a corresponding reduction to the deferred tax liability as the flow-through expenditures are incurred and renounced. When the flow-through expenditures are incurred and renounced, the Company records the tax effect as a change to profit or loss and an increase to deferred income tax liabilities.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

To the extent that the Company has deferred income tax assets that were not recognized in previous periods, a deferred income tax recovery is recorded to offset the liability resulting from the renunciation.

#### (l) Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to warrant reserve. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve account is recorded as an increase to share capital. For those warrants that expire unexercised, the recorded fair value is transferred from warrant reserve to share capital.

#### (m) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except for items recognized in equity or in other comprehensive loss. Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of an assets or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantially enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in net earnings in the year of change. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

#### (n) Loss per share

The Company calculates basic loss per share using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding by an amount that assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are applied to repurchase common shares at the average market price for the period in calculating the net dilution impact. Stock options and warrants are dilutive when the Company has income from continuing operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants. Due to the losses for the periods ended September 30, 2023 and September 30, 2022, basic loss per share is equal to dilutive loss per share for the periods presented.





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#### 4. CASH

The balance at September 30, 2023 consists of cash on deposit with a major Canadian bank in general interest-bearing accounts totaling \$155,756 (September 30, 2022 - \$365,924).

#### 5. MARKETABLE SECURITIES

The Company's marketable securities consist of the following:

	September 30, 2023	September 30, 2022
<b>Held for trading</b>		
Shoal Point Energy Ltd. (4,000 common shares @\$0.03 per share)	\$ 120	\$ 240
Osisko Mining Inc. (1,588 common shares @\$2.44 per share)	3,906	4,907
	<b>\$ 4,026</b>	<b>\$ 5,147</b>

The shares have been classified as fair value through profit and loss under the fair value option ("FVO").

#### 6. ACCOUNTS RECEIVABLE

The Company's accounts receivables includes harmonized services tax ("HST") due from the Canadian government.

	September 30, 2023	September 30, 2022
HST receivable	\$ 6,674	\$ 83,292

The Company holds no collateral for any receivable amounts outstanding as at September 30, 2023.

#### 7. PREPAID EXPENSES

Prepaid expenses represent advance payments made to vendors for expenses applicable to a future period. Advance payments include amounts paid in advance for Directors' and Officers' liability and Commercial Insurance. Commercial Insurance was required for the McCool drill program.



### 8. EXPLORATION AND EVALUATION EXPENDITURES

	September 30, 2023	September 30, 2022	Cumulative to date
<b>McCool</b>			
Acquisition of claims	\$ 7,600	\$ 9,000	\$ 52,600
Exploration and evaluation expenditures	156,930	691,684	858,143
Property tax	824	3,169	3,993
<b>Kerrs</b>			
Acquisition of claims	-	-	-
Exploration and evaluation expenditures	-	11,150	19,600
Property tax	2,432	86	4,895
<b>Blue Quartz</b>			
Exploration and evaluation expenditures	-	-	213,603
Property tax	1,645	1,252	4,105
<b>BQ-Extension</b>			
Acquisition on remaining 50% of mineral property	-	-	83,000
Property tax	-	-	7,127
<b>Augdome</b>			
Exploration and evaluation expenditures	-	-	252,630
Property tax	1,622	1,613	12,276
Other	1,590	1,934	15,614
	<b>\$ 172,643</b>	<b>\$ 719,888</b>	<b>\$ 1,527,586</b>

#### Northern Ontario, Canada

##### McCool Property

On May 14, 2020, McLaren acquired 100% interest in the 275 hectare ("ha") McCool gold property from Newmont subject to Newmont retaining a 1.0 % Net Smelter Royalty ("NSR") on any future production. The 275 ha McCool gold property, held under one Ontario Mining Lease consisting of surface and mining rights, is located in McCool Township approximately 85 kilometres ("km") east of the City of Timmins. The property is situated along the Destor-Porcupine Deformation Zone between the Fenn-Gib and Jonpol gold deposits, approximately 18 km east of the producing Black Fox Gold Mine operated by McEwen Mining Inc. and approximately 22 km east-southeast of McLaren's Blue Quartz gold property, which hosts the former Blue Quartz Gold Mine.

On August 9, 2021, McLaren received a mineral exploration permit from the Ontario Ministry of Energy, Northern Development and Mines ("MENDM") which allows McLaren to undertake various surface exploration activities on the McCool gold property including line cutting, geological and geophysical surveys and diamond drilling.

### **Northern Ontario, Canada (continued)**

On October 4, 2021, McLaren announced it had acquired an additional 50 full mineral claims and 10 partial mineral claims, together comprising approximately 1,375 ha, from two independent prospectors from the Timmins area. The new claims are contiguous with the original McCool gold property and bring the total size of the property to approximately 1,650ha. The majority of the new claims cover the northwest strike extension of the Centre Hill Fault. The expanded McCool gold property covers an approximate five km strike length of the gold-bearing Centre Hill Fault.

On February 23, 2022, McLaren announced that it had completed approximately 13 km of line-cutting and induced polarization (“IP”) and ground magnetic (“GM”) geophysical surveys over a select portion of the Centre Hill Fault which is host to significant gold mineralization on the McCool property and which is interpreted to be a splay off of the major Destor-Porcupine Deformation Zone which hosts many gold deposits in the general area. The types of ground geophysical signatures identified on the property are identical to those associated with gold mineralization elsewhere in the general area.

On August 31, 2022, McLaren commenced a phase one diamond drilling program on its 100%-owned McCool gold property and this program, consisting of 2,392 metres (“m”) of core drilling in nine holes, was completed on September 14, 2022. The nine holes were drilled on approximately 50m centres to further evaluate and trace the significant gold mineralization known to exist on the property along the Centre Hill Fault from the work of previous owners undertaken during the period 1982-1987 (Placer Development Limited). All drill core was logged and 699 samples were selected, sawn in half with half being sent to an assay lab for gold analysis.

In October, 2022, McLaren completed a total of 4,361 m of exploration diamond drilling in 11 core holes during two drilling campaigns on its 100%-owned McCool gold property located in the prolific Timmins Gold Region of Northwestern Ontario. Nine of the 11 holes were drilled on approximately 50 m centers along the Centre Hill Fault where significant gold mineralization is known to occur from the work of previous operators. Two of the 11 holes undercut a couple of the first holes. Several of the holes intersected wide intervals of intensely altered rocks along the Center Hill Fault containing variable amounts of sulphide mineralization, fuchsite and sericite, all associated with gold mineralization elsewhere in the area. A total of 1,208 samples (699 samples from phase one drilling and 509 samples from phase two drilling) were selected, sawn in half with half being sent to an assay laboratory for assay for gold.

On January 24th, 2023, McLaren announced it had intersected high grade gold mineralization, including 16.5 grams per tonne gold (“g/t Au”) over 6.0 m, including 21.1 g/t Au over 4.5 m; 10.8 g/t Au over 9.0 m, including 59.3 g/t Au over 1.5 m; 7.9 g/t Au over 4.5 m, including 21.8 g/t over 1.6 m; and 58.4 g/t Au over 1.5 m; as well as wide intervals of lower grade gold mineralization, in recently completed exploration diamond drilling completed on its 100%-owned McCool gold property.

### **Kerrs Property**

On May 14, 2020, McLaren acquired 100% interest in the 775 ha Kerrs gold property from Newmont subject to Newmont retaining a 1.0 % NSR on future production. The property, located in Kerrs Township, is held under five Ontario Mining Leases consisting of surface and mining rights. The property is located approximately 85 km east of the City of Timmins and situated along the Destor-Porcupine Deformation Zone.

On June 30, 2021, McLaren announced it has been issued a mineral exploration permit by MENDM covering the Kerrs gold. This permit allows McLaren to undertake various surface exploration activities on the Kerrs gold property including line cutting, geological and geophysical surveys and diamond drilling.

### **Northern Ontario, Canada (continued)**

#### **Blue Quartz**

On December 6, 2010, the Company and Orla Mining Ltd. ("Orla"), entered into an Option Agreement whereby McLaren could earn a 50% interest in the Blue Quartz gold property, with the Company having the right of first refusal on the remaining 50% interest. The Property consists of 25 patented mining claims and is located in Beatty Township, Northern Ontario. To earn a 50% interest in the Blue Quartz Property, the Company paid \$10,000 cash and issued 100,000 common shares with a deemed price of \$0.14 per share and is required to spend \$200,000 on exploration and development.

On July 26, 2011, the Company purchased additional property "BQ-Extension" from 2285944 Ontario Limited consisting of 8 unpatented claims totaling 240 hectares or approximately 600 acres for a purchase price of \$68,000.

During the quarter ended December 31, 2011, the Company completed the \$200,000 in exploration and development expenditures and exercised its option to acquire 50% of the Blue Quartz property holding 25 patented mining claims. A 1.0% Net Smelter Royalty ("NSR") is retained by the predecessor companies (Thundermin Resources Inc. and Wesdome Mines Ltd.). Upon completion of the earn in and exercising its option to acquire the 50% interest in the Blue Quartz property, the Company has the right to purchase 50% (.05%) of the NSR from the predecessor companies for \$250,000.

On September 26, 2011, the Company entered into an option agreement with Orla whereby Orla has the option to earn 50% interest in the Blue Quartz Property Extension ("BQ Extension") which is owned 100% by the Company. The BQ-Extension property consists of 8 unpatented claims totaling 240 hectares or approximately 600 acres. Upon completion of the option agreement the Company and Orla will each own 50% of the entire Blue Quartz and BQ-Extension Property package.

October 26, 2020, the Company acquired the remaining 50% interest of the Blue Quartz property, to hold a 100% interest, in the past producing Blue Quartz Gold Mine property located in the prolific Timmins Gold District of Northeastern Ontario. Consideration for the acquisition was 300,000 treasury shares of McLaren which cannot be traded on the open market by Orla prior to October 15, 2021.

#### **Augdome**

McLaren controls a 100% interest in the 414 ha Augdome Gold Property located in Tisdale and Whitney Townships in the prolific Timmins Gold District, Northeastern Ontario. The Property is located immediately east of the Dome Mine operated by Newmont.

On May 14, 2020, McLaren entered into an option agreement with Newmont. McLaren has granted Newmont an option to acquire a 100% interest in McLaren's 408 ha Augdome gold property, subject to McLaren retaining a 1.0% NSR on any future production from the Augdome property. The option can be exercised by Newmont at any time prior to May 5, 2024 upon the payment by Newmont of CDN \$500,000 to McLaren, such amount to be increased on a yearly basis according to the Canadian Consumer Price Index commencing on January 1, 2021 until the option is exercised. The option remains outstanding at September 30, 2023.

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist primarily of outstanding vendors' invoices and accrued expenses incurred during the periods. The balances owing to the creditors are payable in accordance with the vendors' individual credit terms.

	September 30, 2023	September 30, 2022
Trade and other payables	\$ 12,692	\$ 282,556
Accrued audit fees	20,000	20,000
	<b>\$ 32,692</b>	<b>\$ 302,556</b>

### 10. COMMITMENTS AND CONTINGENCIES

As of September 30, 2023, the Company had a commitment to spend \$484,422 (September 30, 2022 - \$89,990) from amounts raised by flow-through financing on eligible Canadian exploration expenditures, on or before December 31, 2023.

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow-through common shares on eligible Canadian exploration expenditures. The Company is committed to indemnify current and previous flow-through subscribers for any tax and other payable by them in the event the Company does not incur the required exploration expenditures. No amounts have been recorded in these financial statements for potential liabilities relating to these indemnities as a triggering event has not taken place.

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.



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## 11. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

### *Related Party Transactions*

Related parties include the Board of Directors, audit committee members, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at fair value.

The Company entered into the following transactions with related parties for the periods ended:

	September 30, 2023	September 30, 2022
Management and consulting fees charged by officers and directors *	\$ 112,000	\$ 89,000
Rent paid to a shareholder with greater than 10% ownership	10,440	14,400
Other remuneration to officers and directors *	30,000	30,000
Amount outstanding at end of year:	\$ 7,500	\$ 7,500

### *Key Management Compensation*

\* Note Management and consulting fees include a \$14,000 non-cash transaction and Directors remuneration was also settled non-cash.

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

## 12. SHARE CAPITAL

### (a) Authorized

As at September 30, 2023, the Company's authorized number of common shares was unlimited and without par value.

### (b) Issued and outstanding

	Note	September 30, 2023	
		Shares	Amount
<b>Balance at September 30, 2021</b>		<b>74,365,511</b>	<b>\$ 8,462,529</b>
Shares issued for mineral property	12(b)(i)	150,000	9,000
Private placement Flow-through common shares	12(b)(ii)	3,808,000	266,560
Shares issued for finder fees	12(b)(ii)	226,000	-
Finder fee paid cash	12(b)(ii)	-	2,205
Issuance of warrants	12(b)(ii)	-	(26,562)
Share price premium	12(b)(iii)	-	(76,160)
Private placement Flow-through common shares	12(b)(iv)	6,001,000	420,070
Shares issued for finder fees	12(b)(iv)	286,000	-
Issuance of warrants	12(b)(iv)	-	(106,394)
<b>Balance at September 30, 2022</b>		<b>84,836,511</b>	<b>8,946,838</b>
Shares issued for mineral property	12(b)(vi)	80,000	5,600
Private placement Flow-through common shares	12(b)(vii)	1,541,000	107,870
Shares issued for finder fees	12(b)(vii)	58,000	-
Share issuance costs	12(b)(vii)	-	(2,402)
Issuance of warrants	12(b)(vii)	-	(26,815)
Shares issued for services	12(b)(viii)	1,000,000	70,000
Private placement Flow-through common shares	12(b)(x)	3,334,000	250,050
Issuance of warrants	12(b)(x)	-	(68,908)
Shares issued for finder fees	12(b)(x)	334,000	-
Shares price premium	12(b)(x)	-	(50,010)
<b>Balance at September 30, 2023</b>		<b>91,183,511</b>	<b>\$ 9,232,223</b>

- (i) On December 22, 2021, the Company issued 150,000 common shares at \$0.06 per share, a \$9,000 value, as the final payment on claims purchased from two Timmins area prospectors.
- (ii) On December 31, 2021, the Company issued 3,808,000 flow-through common share units at \$0.07 per share for gross proceeds of \$266,560. Each unit consists of one flow-through common share and one half (1/2) common share purchase warrant, exercisable at \$0.10 for a period of 24 months. The warrants were valued at \$26,562 using the Black Scholes valuation model. Finder fees of \$2,205 was paid in cash and 226,000 shares were issued relating to the financing. A Flow-through share price premium of \$76,160 was calculated as the Flow-through shares were issued \$0.02 higher than the market price of \$0.05.
- (iii) On February 23, 2022, the Company granted 1,525,000 options to certain directors, officers and consultants of the Company at an exercise price of \$0.10 per common share for a period of five years from the date of grant. The options were valued at \$75,210 using the Black Scholes valuation model. The options vest immediately and replaced a like number of options that have recently expired.

## 12. SHARE CAPITAL (continued)

- (iv) On September 29, 2022, the Company issued 6,001,000 Flow-through common share units at \$0.07 per share for gross proceeds of \$420,070. Each unit consists of one Flow-through common share and one half (1/2) common share purchase warrants and 286,000 broker warrants were issued, exercisable at \$0.10 for a period of 24 months. The warrants were valued at \$106,394 using the Black Scholes valuation model. 286,000 shares were issued as finder fees relating to the financing.
- (v) On September 29, 2022, the Company granted 600,000 options to certain service providers and consultants of the Company at an exercise price of \$0.10 per common share for a period of one year from the date of grant. The options vest immediately. The options were valued at \$11,921 using the Black Scholes valuation model. During the quarter warrants with a valuation of \$178,389 expired.
- (vi) During the quarter ended December 31, 2022, the Company issued 80,000 common shares to two prospectors in conjunction with acquisition of an additional 7 mineral claims to further expand its 100%-owned McCool gold property. The shares were valued at \$0.07 for a total value of \$5,600.
- (vii) On December 30, 2022, the Company issued a final tranche of its non-brokered private placement of flow-through shares. The Company issued 1,541,000 flow-through common share units at \$0.07 per share for gross proceeds of \$107,870. Each unit consists of one flow-through common share and one half (1/2) common share purchase warrants and 92,000 broker warrants were issued, exercisable at \$0.10 for a period of 24 months. The warrants were valued at \$26,815 using the Black-Scholes valuation model. 58,000 shares were issued and \$2,402 in cash was paid as finder fees relating to the financing. There was no share price premium on the issue as the units were issued at the market value of \$0.07.
- (viii) On January 4, 2023, the Company issued 1,000,000 common shares as a payment for services to directors, officers and consultants. The shares were valued at the market price of \$0.07 for a value of \$70,000.
- (ix) On March 31, 2023 McLaren announced the grant of 125,000 options to certain directors, officers and consultants of the Company exercisable at a price of \$0.10 per common share for a period of five years from the date of grant. The options were valued at \$10,057 using the Black Scholes valuation model and will vest immediately, replacing a like number of options valued at \$16,676 that recently expired.
- (x) On June 30, 2023, the Company issued a non-brokered private placement of flow-through shares. The Company issued 3,334,000 flow-through common share units at \$0.075 per share for gross proceeds of \$250,050. Each unit consists of one flow-through common share and one half (1/2) common share purchase warrants were issued, exercisable at \$0.10 for a period of 24 months. The warrants were valued at \$68,908 using the Black-Scholes valuation model. In addition, 334,000 shares were issued as finder fees relating to the financing. A Flow-through share price premium of \$50,010 was calculated as the Flow-through shares were issued \$0.015 higher than the market price of \$0.06.

### (c) Warrants

The following table shows the continuity of warrants for the periods presented:

		September 30, 2023	September 30, 2022
<b>Opening balance</b>		<b>132,956</b>	<b>178,389</b>
Cancellation of expired warrants		-	(178,389)
Issuance of warrants with private placement	12(b)(ii)	-	26,562
Issuance of warrants with private placement	12(b)(v)	26,815	106,394
Issuance of warrants with private placement	12(b)(vii)	68,908	-
<b>Closing balance</b>		<b>228,679</b>	<b>132,956</b>

The following table reflects the warrants outstanding as at September 30, 2023:

Date issued	Number of Warrants	Fair Value of Warrants	Exercise Price	Expiry Date
December 31, 2021	1,904,000	26,562	0.10	December 31, 2023
September 29, 2022	3,286,500	106,394	0.10	September 29, 2024
December 30, 2022	863,000	26,815	0.10	December 30, 2024
June 30, 2023	1,667,000	68,908	0.10	June 30, 2025
<b>Totals</b>	<b>7,720,500</b>	<b>\$ 228,679</b>	<b>\$0.10</b>	

The fair values of warrants issued were calculated based on the following assumptions:

	Dec 31, 2021	Sep 29, 2022	Dec 30, 2022	Jun 30, 2023
Risk free interest rate	0.95%	3.79%	4.06%	4.58%
Expected volatility	100%	102%	98%	117%
Expected life (in years)	2.0	2.0	2.0	2.0
Expected dividend rate	-	-	-	-
Exercise price	\$0.10	\$0.10	\$0.10	\$0.10



### (d) Stock Options

The Company has adopted a stock option plan (the "Plan"), which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with exchange requirements, where applicable, grant to directors, officers, employees and consultants of the Company options to purchase the Company's shares, provided that the number of the Company's shares reserved for issuance may not exceed 10% of the issued and outstanding common shares at any time. Such options will be exercisable for a period of up to 5 years from the date of grant. Except in specified circumstances, options are not assignable and will terminate if the optionee ceases to be employed by or associated with the Company. The terms of the Plan further provide that the price at which shares may be issued cannot be less than the market price (net of permissible discounts) of the shares when the relevant options were granted.

As at September 30, 2023 common share options held by directors, officers and consultants are as follows:

Grant Date	Number of Options Outstanding	Exercise Price	Number of Options Exercisable	Black Scholes Fair Value	Weighted Average Remaining Contractual Life (Years)	Expiry Date
February 23, 2022	1,525,000	\$0.10	1,525,000	75,210	3.40	February 23, 2027
March 31, 2023	125,000	\$0.10	125,000	10,057	4.50	March 31 2028
<b>Totals</b>	<b>1,650,000</b>	<b>\$0.102</b>	<b>1,650,000</b>	<b>85,267</b>	<b>3.48</b>	

The following table outlines the stock option transactions during the period:

	Number of Stock Options	Weighted Average Exercise Price
<b>Balance at September 30, 2022</b>	<b>3,150,000</b>	<b>0.102</b>
Cancelled	(825,000)	(0.107)
Expired	(800,000)	(0.10)
Granted	125,000	0.10
<b>Balance at September 30, 2023</b>	<b>1,650,000</b>	<b>\$ 0.10</b>

In calculating the fair value of the options, the following underlying assumptions were used in the Black-Scholes calculation:

	Feb 23, 2022	Mar 31, 2023
Share price	\$0.065	\$0.085
Strike price	\$0.10	\$0.10
Risk free interest rate	1.79%	2.90%
Expected volatility	114 %	173 %
Expected dividend rate	0.0%	0.0%
Expected forfeiture rate	0.0%	0.0%
Expected life ( in years)	5	5

## 13. CAPITAL MANAGEMENT

The Company's objective in managing capital is to maintain the entity's ability to continue as going concern, support the Company's normal operating requirements and to continue the exploration and development of its mineral properties.

The capital of the Company consists of the items in the shareholders' deficit. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debts or equity or similar instruments to obtain additional financing.

The Company's over all strategy with respect to capital risk management remained unchanged during the period. The Company is not subject to any externally imposed capital requirements as at September 30, 2023.

## 14. FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and to up to date market information.

The Company's risk exposure and risk management policies and procedures have not changed.

### ***Market risk***

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative, financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on going basis.

### ***Commodity risk***

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices as they relate to gold and the stock market to determine the appropriate course of action to be taken.

### ***Credit risk***

The maximum exposure to credit risk is equal to the carrying amount of financial instruments classified as loans and receivables.

### ***Liquidity risk***

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash. These funds are primarily used to finance working capital, operating expenses, exploration expenditures, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities, holding adequate amounts of cash. The current year's budget is planned to be funded and cash and cash equivalents provide additional flexibility for short term timing fluctuations.

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations.

### ***Fair value***

The fair value of certain of the Company's financial instruments, including cash, bank overdraft, accounts payable and accrued liabilities, are estimated by management to approximate their carrying values due to their short term nature.

## **15. INCOME TAXES**

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the years ended September 30, 2023 and September 30, 2022 is as follows:

	<b>September 30, 2023</b>	September 30, 2022
Combined statutory income tax rates ( % )	<b>26.50</b>	26.50
Net loss	<b>(464,573)</b>	(961,299)
Expected recovery of income taxes based on statutory rates.	<b>(123,112)</b>	(254,744)
Adjustments to tax (benefit) expense resulting from:		
Non-deductible permanent differences	<b>3,815</b>	8,029
Timing differences	<b>(9,427)</b>	(5)
Valuation allowance	<b>128,724</b>	246,720
Current income tax expense	-	-

### 15. INCOME TAXES (continued)

If not utilized, the non-capital losses will expire as follows:

Years of Expiry	Amount \$
2026	180,584
2027	487,834
2028	392,527
2029	949,478
2030	245,636
2031	419,660
2032	1,197,614
2033	678,130
2034	348,537
2035	108,240
2037	214,120
2038	1,044,076
2039	516,563
2040	379,617
2041	367,334
2042	1,000,833
2043	485,758
	9,016,541

### 16. LOSS PER SHARE

Net loss per share has been calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The effect of stock options and warrants was anti dilutive and hence, the diluted loss per share equals the basic loss per period.