First Lithium

FIRST LITHIUM MINERALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 AND 2022

FIRST LITHIUM MINERALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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Management's Responsibility

To the Shareholders of First Lithium Minerals Corp. (the "**Corporation**"):

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The majority of the Board of Directors is composed of Directors who may be neither management nor employees of the Corporation. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving financial information. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Corporation's external auditors.

Dale Matheson Carr-Hilton Labonte, LLP, an independent firm of Chartered Professional Accountants, has been appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have been given full, free and complete access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

/s/ "*Rob Saltsman*"
Rob Saltsman
Chief Executive Officer

/s/ "*Claude Ayache*"
Claude Ayache
Chief Financial Officer

Toronto, Ontario
April 29, 2024

Independent Auditor's Report

To the Shareholders of First Lithium Minerals Corp.

Opinion

We have audited the consolidated financial statements of First Lithium Minerals Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of shareholders' equity (deficit), operations and comprehensive loss and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy 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.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss of $2,248,977 during the year ended December 31, 2023 and, as of that date, the accumulated deficit is $11,839,351. 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 Matters

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

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

DMCL.

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

April 29, 2024

FIRST LITHIUM MINERALS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(All Amounts are in Canadian Dollars)

As at December 31,	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents	$ 2,852,900	$ 3,817,497
Sales tax receivable (Note 3)	95,992	160,868
Prepaid expenses	109,070	382,894
	3,057,962	4,361,259
NON-CURRENT		
Exploration and evaluation assets (Note 4, 13 and 14)	998,805	874,127
	$ 4,056,767	$ 5,235,386
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Notes 5)	$ 222,743	$ 147,310
Due to related parties (Note 8)	123,450	55,368
	346,193	202,678
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	15,142,898	14,460,398
Contributed surplus (Note 7)	407,027	162,684
Accumulated deficit	(11,839,351)	(9,590,374)
	3,710,574	5,032,708
	$ 4,056,767	$ 5,235,386

Nature of Organization and Going Concern (Note 1)
Reverse Takeover Transaction (Note 14)

Approved on behalf of the board of directors:

/s/ "*Rob Saltsman*"
Rob Saltsman, Director

/s/ "*Peter Espig*"
Peter Espig, Director

FIRST LITHIUM MINERALS CORP.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(All Amounts are in Canadian Dollars)

	Number of Common Shares	Amount of Common Shares	Contributed Surplus	Accumulated Deficit	Shareholders' Equity (Deficit)
Balance, January 1, 2022	29,643,667	$ 1,563,386	$ —	$ (5,598,705)	$ (4,035,319)
Issuance of shares for cash (Note 6)	23,658,000	5,751,816	162,684	—	5,914,500
Acquisition of QL Minerals Inc. (Notes 4, 6 and 13)	6,180,000	1,453,000	—	—	1,453,000
Issuance of shares to settle debt obligations (Note 6)	15,873,737	3,571,591	—	—	3,571,591
Issuance of shares relating to listing (Notes 6 and 14)	11,520,715	2,400,168	—	—	2,400,168
Issuance costs (Note 6)		(279,563)	—	—	(279,563)
Net comprehensive loss	—	—	—	(3,991,669)	(3,991,669)
Balance, December 31, 2022	86,876,119	$ 14,460,398	$ 162,684	$ (9,590,374)	$ 5,032,708
Balance, January 1, 2023	86,876,119	$ 14,460,398	$ 162,684	$ (9,590,374)	$ 5,032,708
Shares issued for evaluation and exploration property (Notes 4 and 6)	8,300,000	682,500	—	—	682,500
Granting of Incentive Stock Options (Note 7)	—	—	244,343	—	244,343
Net comprehensive loss	—	—	—	(2,248,977)	(2,248,977)
Balance, December 31, 2023	95,176,119	$ 15,142,898	$ 407,027	$ (11,839,351)	$ 3,710,574

FIRST LITHIUM MINERALS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(All Amounts are in Canadian Dollars)

For the Year Ended December 31,	2023	2022
EXPENSES		
General and administrative	$ 16,848	$ 58,787
Directors' fees (Note 9)	30,000	12,500
Management fees (Note 9)	240,000	100,000
Mineral exploration expense (Notes 4 and 8)	513,357	503,449
Professional fees (Note 9)	285,789	98,377
Regulatory and Shareholders expenses	368,056	460,116
Stock-based compensation (Notes 7 and 8)	244,343	—
	1,698,393	1,233,229
OPERATING LOSS	(1,698,393)	(1,233,229)
Foreign exchange gain (loss)	(1,633)	(44,835)
Interest expense (Note 8)	—	(128,139)
Interest income	159,790	47,151
Listing expense (Note 14)	—	(2,630,920)
Write down of Exploration and evaluation assets (Note 4)	(708,741)	(1,697)
Net loss and Comprehensive loss for the year	$ (2,248,977)	$ (3,991,669)
Net loss per common share	$ 0.03	$ 0.07
Weighted average number of common shares outstanding (Note 12) - Basic and diluted	88,919,800	54,329,118

FIRST LITHIUM MINERALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All Amounts are in Canadian Dollars)

For the Year Ended December 31,	**2023**	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income for the year	$ (2,248,977)	$ (3,991,669)
Non-cash expenses:		
Interest expense	—	128,139
Non-cash listing expenses	—	2,252,852
Stock-based compensation	244,343	—
Write down of exploration and evaluation assets	708,741	1,697
Net change in operating assets and liabilities		
Sales tax receivable	64,876	(141,091)
Expenses paid on behalf of acquired entities	—	1,058,292
Prepaid expenses	273,824	(382,894)
Accounts payable and accrued liabilities	75,434	(749,094)
CASH FLOWS USED BY OPERATING ACTIVITIES	(881,759)	(1,823,768)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to related parties	68,082	(10,000)
Issuance of shares, net of commissions	—	5,634,937
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	68,082	5,624,937
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash from acquisitions	—	32,826
Investment in exploration and evaluation assets, net	(150,920)	(45,114)
CASH FLOWS USED IN INVESTING ACTIVITIES	(150,920)	(12,288))
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(964,597)	3,788,881
CASH AND CASH EQUIVALENTS		
- Beginning of the year	3,817,497	28,616
- End of the year	$ 2,852,900	$ 3,817,497
CASH AND CASH EQUIVALENTS		
Cash	$ 139,616	$ 249,654
Short-term deposits	2,713,284	3,567,843
	$ 2,852,900	$ 3,817,497
NON-CASH FINANCING ACTIVITY		
Short-term debt for exploration and evaluation assets (Notes 4 and 6)	$ 682,500	$ —

1. Nature of Organization and Going Concern

Description of the Business

First Lithium Minerals Corp. ("the "**Corporation**" or **FLMC**" or "**PCG**") was incorporated under the Alberta Business Corporations Act on March 25, 1993 and on June 30, 2022 filed a Certificate of Continuance under the Ontario Business Corporations Act and on July 27, 2022 filled a Certificate of Amendment to change its name from Petrocorp Group Inc. to First Lithium Minerals Corp. Its registered head office is 77 King Street West, Suite 3000, Toronto, Ontario, M5G 1G8. On July 28, 2022, the Corporation completed its acquisition of First Lithium Minerals Inc. ("**FLMI**") by way of a reverse-take over ("**RTO**") as well as the concurrent acquisition of QL Minerals Inc. (**"QLM**") (Note 13). The principal business of the Corporation and its subsidiaries is the exploration of mineral properties located in Chile and Canada (Note 4).

The Corporation is listed on the Canadian Stock Exchange ("**Exchange**") under the symbol FLM, on the OTCBB under the symbol FLMCF and on the FSE under the symbol X28.

These consolidated financial statements ("**Financial Statements**") of the Corporation were authorized for issue in accordance with a resolution of the directors on April 29, 2024.

Going Concern

These Financial Statements have been prepared in accordance with IFRS applied on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at December 31, 2023, the Corporation had no sources of operating cash flows. The Corporation therefore will require additional funding which, if not raised, would result in the curtailment of activities. As at December 31, 2023, the Corporation had a working capital of $2,711,769 (December 31, 2022 –$4,158,581), and has incurred losses since inception, resulting in an accumulated deficit of $11,839,351 (December 31, 2022 - $9,590,374). The Corporation's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Corporation will be successful in this regard, and therefore, there is substantial doubt regarding the Corporation's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These Financial Statements do not reflect adjustments that would be necessary if the "going concern" assumption were not appropriate. If the "going concern" assumption were not appropriate for these Financial Statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

As an entity with no cash operating activities, funding to meet its operating expenses as well as working capital is dependent on the Corporation's ability to issue common shares or borrow funds. While the Corporation currently has sufficient funds on hand to meet its current budget for the foreseeable future, there is no certainty that the Corporation will be able to raise sufficient funds.

2. Material Accounting Policy Information

Basis of Presentation

These Financial Statements have been prepared on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business.

2. Material Accounting Policy Information – continued

Principles of Consolidation
On July 28, 2022, the Corporation completed its business combination agreement with FLMI, a private Ontario company incorporated on February 14, 2017, whereby the Corporation acquired all issued and outstanding shares of FLMI by issuing one common share for each FLMI shares (the "**RTO**") (Note 14). The RTO was structured as a three-cornered amalgamation pursuant to which FLMI merged with QLM and then amalgamated with a wholly owned subsidiary of the Corporation, 1000215756 Ontario Corp. to form an amalgamated entity. For accounting purposes, FLMI is deemed to be the acquirer, and the Financial Statements are a continuation of FLMI. Prior to the RTO, FLMI consolidated its shares on the basis of 1 new common share for 2.5 old common shares. All references to shares, per share amount, and warrants in these Financial Statements have been retroactively restated to reflect the consolidation ratio.

These Financial Statements include the accounts of FLMC, and its wholly-owned subsidiaries, FLMI as well as First Lithium Minerals SpA. ("**SpA**") and First Metal Chile SpA ("**FMC**"), both incorporated in Chile, collectively these entities are referred to as the Corporation.

Statement of Compliance to International Financial Reporting Standards
These Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**").

Basis of Measurement
These Financial Statements have been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

Functional and Presentation Currency
These Financial Statements are presented in Canadian dollars, which is the Corporation's and its subsidiaries' functional currency. Transactions in foreign currencies during the years were converted at the then average exchange rate for the period and year-end balance sheet amounts were converted at the exchange rate as at that date.

***Critical Judgments and Estimates*:**
The preparation of the Financial Statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the dates of these Financial Statements and the reported amounts of income and expenses during the year. Actual results may differ from these estimates.

In making estimates, the Corporation relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with the prior year and there are no known trends, commitments, events or uncertainties that the Corporation believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in the Financial Statements. The areas involving greater judgment or complexity, or areas where assumptions and estimates are significant to these Financial Statements are disclosed separately.

2. Material Accounting Policy Information – continued

Changes to estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of these Financial Statements and the reported amounts of revenue and expenses during the years. Actual results could also differ from those estimates under different assumptions and conditions.

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

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the Financial Statements are:

Fair Value of Financial Instruments
The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Recoverability of exploration and evaluation assets
The application of the Corporation’s accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Corporation, 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 consolidated statement of operations and comprehensive loss when the new information becomes available.

Environmental cleanup costs
Management has made an estimate of the amount of fees required related to remediation activities at its exploration properties. Management will also request third party service providers to provide estimates for cleanup activities and will record any adjustment to the amount accrued as the adjustments become known.

Income Taxes
Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation 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 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 determinations are made.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 to the Financial Statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern.

The material accounting policies set out below have been applied consistently to all periods presented in accordance with IFRS.

2. Material Accounting Policy Information – continued

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Exploration and Evaluation Assets
Pre-exploration Costs
Pre-exploration costs are expensed in the year in which they are incurred.

Acquisition Costs
The fair value of all consideration paid to acquire an exploration and evaluation asset is capitalized, including amounts paid under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Exploration and Evaluation Expenditures
The Corporation capitalizes land costs, staking and maintenance fees. All other costs directly related to exploration and evaluation expenditures ("**E&E**") are expensed as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

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

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

The Corporation assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

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

Disposal of Interest in Connection with Option Agreement
On the disposal of an interest in connection with the option agreement, the Corporation does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the cash consideration received directly from the acquirer is credited against the costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets in the consolidated statement of operations and comprehensive loss

2. Material Accounting Policy Information – continued

Financial assets and liabilities

Classification

The Corporation classifies its financial instruments in the following categories: at fair value through profit and loss ("**FVTPL**"), at fair value through other comprehensive income (loss) ("**FVTOCI**") or at amortized cost. The Corporation determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Corporation's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Corporation can make an irrevocable election (on an instrument-by-instrument basis) to designate them at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Corporation has opted to measure them at FVTPL.

The following table summarizes the classification under IFRS 9 for each financial instrument:

Financial assets/liabilities	Classification
Cash and cash equivalents	FVTPL
Accounts payable	Amortized cost
Due to related parties	Amortized cost

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss). There are no financial assets classified in this category as at December 31, 2023 and 2022.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Accounts payable, debt obligations, related party debt, subscription receipt and due to related parties are classified in this category.

Financial assets and liabilities at FVTPL

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

Impairment of financial assets at amortized cost

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

2. Material Accounting Policy Information – continued

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

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

The Corporation derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of operations and comprehensive loss.

Rehabilitation Provision
The Corporation is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Corporation records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation, and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other Provisions
Provisions for legal claims, where applicable, are recognized in other liabilities when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting year and are discounted to present value where the effect is material.

2. Material Accounting Policy Information – continued

Share Capital
Share capital, common shares and an equity instrument in any contract that evidence of a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

Contributed Surplus
The Corporation measures the fair value of options and warrants issued using the Black-Scholes Option-Pricing Model. The fair value of each option or warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk-free interest rate. The fair value of warrants issued in conjunction with an offering is charged to share issue costs with an offsetting amount recorded to contributed surplus. The fair value of warrants exercised is recorded as share capital, and the fair value of any expired warrants is recorded as to accumulated deficit.

Equity-settled Share-based Payments
The Corporation operates equity-settled share-based payment plans for its eligible directors, employees and consultants. None of the Corporation's current plans feature any options for a cash settlement.

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

All equity-settled share-based payments, except warrants, are ultimately recognized as an expense in the profit or loss with a corresponding credit to contributed surplus, within shareholders' equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance costs of the equity instruments with a corresponding credit to stock options and or warrants respectively, within shareholders' equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs, as well as the related compensation cost previously recorded as contributed surplus, are credited to share capital.

2. Material Accounting Policy Information – continued

Earnings / (Loss) per Share

Basic earnings (loss) per share is calculated by dividing the net income (loss) attributable to shareholders of the Corporation by the weighted average number of shares outstanding during the year.

Diluted earnings per share is determined by adjusting the net income attributable to shareholders and the weighted average number of shares outstanding, adjusted for the dilutive effects of all convertible securities and incentive stock options and warrants, issued and outstanding, if any. No effect has is given to the potential exercise of stock options and warrants in the calculation of diluted net earnings (loss) per share if the effect would be anti-dilutive. Stock options and warrants have a dilutive effect only when the average market price per common share during the period exceeds the exercise price.

Income Tax

Income tax comprises current and deferred taxes. Income tax is recognized in the consolidated statements of operations and comprehensive loss, except to the extent that it relates to items recognized directly in equity, in which case, the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the reporting year, using tax rates enacted, or substantively enacted, at the end of the reporting year.

Deferred tax is determined based on the temporary differences between the carrying value and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in the consolidated statement of operations and comprehensive loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to the Corporation's taxable income for the year in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Impairment of non-financial assets

The Corporation’s assets are reviewed for indications of impairment at each statement of financial position’s date. If indication of impairment exists, the asset’s recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets the unit on a pro-rata basis.

(Expressed in Canadian Dollars)

3. Sales Tax Receivable

As at December 31,	2023	2022
HST tax receivable	$ 95,992	$ 160,868

4. Exploration and Evaluation Assets

The Corporation's interest in its exploration and evaluation assets is as follows:

Property	Interest	Date Acquired
Jenna, Chile	100%	2018
Lucia, Chile	100%	2022
Lidstone, Ontario	100%	2023
LSL, Ontario	100%	2023
Senneville, Quebec	100%	2022

Chilean Properties (Note 14)
Jenna property is comprised of 8,175 ha of mineral exploration concessions that form the OCA Prospect located at the commune of Ollagüe, Calama, Province of El Loa, II Region of Antofagasta, Chile, and distributed within three different salars: Salar de Ollagüe, Salar de Carcote and Salar de Ascotán. Lucia property is comprised of 200 ha of mineral exploration concessions located at the commune of San Pedro de Atacama, Calama, Province of El Loa, II Region of Antofagasta, Chile, within the Salar de Capur. During the year ended December 31, 2023, the Corporation determined not to renew 9 claims and accordingly wrote down $38,424 in acquisition and maintenance costs related to these claims.

Ontario Properties
In June 2023, the Corporation acquired a 100% interest in 49 mining claims for $372,500 that was settled with 4,300,000 common shares of the Corporation valued at $322,500 (Note 6) plus $50,000 in cash. Subsequently, the Corporation staked an additional 142 mining claims for a total of 191 mining claims (collectively the "LSL" property). The LSL property is a land package of 3,913 ha located approximately 160 km northeast of Sioux Lookout, Ontario.

In December 2023, the Corporation acquired a 100% interest in 85 mining claims for $410,000 that was settled with 4,000,000 common shares of the Corporation valued at $360,000 (Note 6) plus $50,000 in cash. Subsequently, the Corporation staked an additional 14 mining claims in 2023 and 533 subsequent to 2023 for a total of 632 miningl claims (collectively the "Lidstone" property). The Lidstone property is a land package of 12,830 ha located approximately 120 km northeast of the town of Armstrong, Ontario, which is approximately 270 km directly north of the City of Thunder Bay.

Quebec Property
The Corporation held a 100% interest in 39 mining claims over a contiguous land package of over 2,000 hectares in Senneville, Quebec approximately 30 km north of Val-d'Or, Quebec which it acquired concurrently with the acquisition of QLM ('**Senneville**" prospect) (Note 13). During the year ended December 31, 2023, the Corporation wrote off this property.

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets – continued

	Chile	Ontario	Quebec	Total
Balance, January 1, 2022	$ 160,393	$ —	$ —	$ 160,393
Acquisitions of mining rights:				
Staking and maintenance fees	45,114	—	—	45,114
Acquisition of Senneville Property (Note 13)	—	—	670,317	670,317
Write-down during the year	(1,697)	—	—	(1,697)
Balance, December 31, 2022	$ 203,810	$ —	$ 670,317	$ 874,127
Balance, January 1, 2023	$ 203,810	$ —	$ 670,317	$ 874,127
Acquisitions of mining rights:				
Acquisitions	—	782,500	—	782,500
Staking and maintenance fees	43,519	7,400	—	50,919
Write-down during the year	(38,424)	—	(670,317)	(708,741)
Balance, December 31, 2023	$ 208,905	$ 789,900	$ —	$ 998,805

5. Accounts Payable and Accrued Liabilities

As at December 31,	2023	2022
Accounts payables	$ 166,900	$ 125,844
Accrued liabilities	55,843	21,466
	$ 222,743	$ 147,310

6. Share Capital

The Corporation is authorized to issue an unlimited number of common shares and preferred shares. The preferred shares are issuable in series. As at December 31, 2022 and 2023, there were no preferred shares issued.

During the year ended December 31, 2022, the Corporation completed the following transactions;

a) 23,658,000 common shares were issued at a price of $0.25 per common share, less issuance costs of $279,563 together with 904,260 warrants with a fair value of $162,684, where each warrant gives the holder the right to purchase one common share at a price of $0.25 prior to July 28, 2024;
b) Settlement of convertible obligations of $2,778,561, including $2,228,561 of convertible debentures due to related parties (Note 8), and other amounts due to a related party in the amount of $793,030 (Note 8) via the issuance of 15,873,737, including 13,429,293 common shares issued to related parties (Note 8), at a price of $0.225, being a 10% discount to the common share price of $0.25;
c) Issuance of 6,180,000 common shares to acquire QLM with a fair value of $1,453,000 (Note 13);
d) Issuance of 3,316,372 common shares as a finder's fee valued at $829,093 (Note 14); and
e) Issuance of 8,204,342 common shares to acquire PCG at a deemed value of $1,571,075 (Note 14).

During the year ended December 31, 2023, the Corporation completed the following transactions;

a) issued 4,300,000 common shares to acquire 49 claims as part of the LSL project (Note 4) with a fair value of $322,500, and
b) issued 4,000,000 common shares to acquire 85 claims as part of the Lidstone project (Note 4) with a fair value of $360,000.

(Expressed in Canadian Dollars)

6. Share Capital – continued

Initially, there were 9,965,995 common shares held in escrow from the RTO, of which 3,321,999 common shares have been released with the remainder being released as follows:

	Common shares
February 9, 2024	1,660,999
August 9, 2024	1,660,999
February 9, 2025	1,660,999
August 9, 2025	1,660,999
	6,643,996

7. Contributed Surplus

The Corporation's contributed surplus consists of the following:

	Incentive Stock Option	Warrants	Total
Balance, January 1, 2022	$ —	$ —	$ —
Issuance of warrants	—	162,684	162,684
Balance, December 31, 2022	—	162,684	162,684
Issuance of Incentive Stock Options	244,343	—	244,343
Balance, December 31, 2023	$ 244,343	$ 162,684	$ 407,027

a) Incentive stock Options

The Corporation's Incentive Stock Option Plan ("**Plan**") provides for the issuance of a maximum of 10% of the issued and outstanding common shares at an exercise price equal or greater than the market price of the Corporation's common shares on the date of the grant to directors, officers, employees and consultants to the Corporation and such number of Restricted Stock Units ("RSU") and Deferred Stock Units ("DSU") as is equal to up to 10% of the issued and outstanding Shares from time to time to directors. The option period for options granted under the Plan is for a maximum period of 10 years. Options granted may vest over certain time periods within the option period, which will limit the number of options that may be exercised. Each stock option is exercisable into one common share of the Corporation at the price specified within the terms of the option.

Stock option issuances, RSUs and DSUs are recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest that have not yet been forfeited. Stock-based compensation expense adjustments for anticipated forfeitures have been determined to be immaterial.

The fair value of $244,343 for the options granted was calculated based on the Black Scholes Option-Pricing Model using the following assumptions:

Period ended	December 31, 2022
Number of incentive stock options	4,350,000
Exercise price	$ 0.08
Expected life	5.0 years
Vesting Period	Immediately at grant
Weighted average risk-free interest rate	3.24%
Weighted average expected volatility	100.0%
Dividend yield	0.0%
Fair value	$0.0562

(Expressed in Canadian Dollars)

7. Contributed Surplus – continued

The following table reconciles outstanding incentive stock options as at December 31, 2023:

	Number	Weighted Average Exercise Price
Balance, January 1, 2022 and 2023	—	$ N/A
Granted	4,350,000	0.08
Balance, December 31, 2023	4,350,000	$ 0.08

Upon the cancelling of an incentive stock option, the cumulative amount previously expensed is transferred from contributed surplus - incentive stock options to contributed surplus - general.

The following table summarizes the weighted average exercise price and the weighted average remaining contractual life of the options outstanding and exercisable as at December 31, 2023.

Exercise Price	Options Outstanding	Expiry Date	Outstanding Weighted Average Remaining Life	Weighted Average Price	Quantity	Exercisable Weighted Average Price
$ 0.08	4,350,000	Dec. 20, 2028	5.0 years	$ 0.08	4,350,000	$ 0.08

b) Warrants

The following table reconciles the issued and outstanding warrants as at December 31, 2022 and 2023:

	Number	Weighted Average Exercise Price
Balance, January 1, 2022	—	$ N/A
Issued	904,260	0.25
Balance, December 31, 2022 and 2023	904,260	$ 0.25

The following is a summary of outstanding warrants as at December 31, 2022 and 2023:

Issue date	Number of Warrants	Fair Value	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Balance December 31, 2022	904,260	$ 162,684	$ 0.25	1.57
Balance December 31, 2023	904,260	$ 162,684	$ 0.25	0.57

The fair value of the 904,260 warrants issued during the year ended December 31, 2022 was estimated using the Black-Scholes Option Pricing Model (stock price of $0.25, exercise price of $0.25, expected life of 2 years, risk-free rate of 2.92%, annual rate of quarterly dividends of 0% and volatility of 150%).

(Expressed in Canadian Dollars)

8. Transactions with Related Parties and Payments to Key Management

Related party transactions include all transactions with directors and officers as well as entities owned and controlled by directors and officers. All transactions are performed in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related party transactions occurring during the fiscal year.

For the Year Ended December 31,	2023	2022
Expenses		
Directors Fees	$ 30,000	$ 12,500
Management Fees	240,000	100,000
Mineral Exploration	8,733	—
Professional Fees	106,000	73,000
Stock-based compensation	182,556	—
Interest expense	—	128,139
	$ 567,289	$ 313,639

The key management personnel of the Corporation include the Chief Executive Officer, Chief Financial Officer, and the Board of Directors.

Due to Related Parties are principally comprised of amounts outstanding relating to management fees and reimbursement of expenses.

Amounts due as at December 31,	2023	2022
Due to Related Parties	$ 123,450	$ 55,368

During the year ended December 31, 2022, a total amount due to the CEO and companies controlled by the CEO of $793,030 (Note 6) was converted into 3,594,576 common shares during the year ended December 31, 2022 as part of the RTO transaction (Notes 6 and 15).

During the year ended December 31, 2022, 9,834,717 shares were issued with respect to converting debt obligations with a value of $2,228,561 into share capital with a private company for which the CEO was an officer of (Note 6) and an amount due to a related party as part of the RTO transaction (Notes 6 and 15).

During the year ended December 31, 2022, directors and officers acquired 4,624,543 common shares for $908,022.

During the year ended December 31, 2023, the Corporation issued 3,250,000 incentive stock options with a fair value of $182,556 to directors and officers of the Corporation (Note 7).

9. Commitments and Contingencies

The Corporation, from time to time, may be involved in various claims, legal and tax proceedings and complaints arising in the ordinary course of business. The Corporation is not aware of any pending or threatened proceedings that would have a material adverse effect on the financial condition or future results of the Corporation.

(Expressed in Canadian Dollars)

10. Capital Management

The Corporation manages its common shares, stock options, warrants and accumulated deficit as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk, as there are no external restrictions on it.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares, issue new debt, acquire or dispose of assets in order at adjust the amount of cash on its balance sheet.

To facilitate the management of its capital requirements, the Corporation prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry and market conditions.

The Corporation's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

Management reviews its approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

The Corporation's financial instruments have been classified into categories that determine their basis of measurement and for items carried at fair value, where changes in fair value are recognized in the Consolidated Statement of Operations and Comprehensive Income (Loss):

Financial Assets			2023		2022
Cash and cash equivalents	FVTPL	$	2,852,900	$	3,817,497
Sales tax receivable	Amortized Costs		95,992		160,868

Financial Liabilities			2023		2022
Accounts payable	Amortized Costs	$	222,743	$	147,310
Due to related parties	Amortized Costs		123,450		55,368

The following table presents the contractual maturities of the Corporation's financial liabilities as at December 31, 2023:

							Payments by Periods		
		Total		< 1 Year		1 - 3 Years		4 - 5 Years		After 5 Years
Accounts payable	$	222,743	$	222,743	$	—	$	—	$	—
Due to related parties		123,450		123,450		—		—		—

11. Financial Instruments and Risk Management

(a) Fair value
Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Level 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market date.

As at December 31, 2023 and 2022, the estimated fair values of accounts payable approximate its respective carrying values due to their short-term nature.

As at December 31, 2023 and 2022, the fair value of due to the related party approximates to the face values of these loans.

The fair value of cash and cash equivalents and restricted cash is determined using level 1 inputs.

(b) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Currently, if a change in interest rates of 1% were to occur, the impact on short-term deposits and the related gain (loss) for over a twelve-month period would have an impact on interest income of approximately $30,000 (2022 - $35,000). Management does not deem this to be material as it could and would continue to meet its operating expenses.

(c) Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation's exposure to credit risk is on its cash and cash equivalents held in bank accounts. This risk is managed by using major banks that are high-credit quality financial institutions as determined by rating agencies. This risk's maximum exposure as at December 31, 2023 is $2,852,900 (December 31, 2022 - $3,817,497). Credit risk is assessed as low.

(d) Liquidity risk
Liquidity risk is the risk the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation's objective for liquidity risk management is to maintain sufficient liquid financial resources to fund operations and to meet commitments and obligations in the most cost-effective manner possible. The Corporation achieves this by maintaining sufficient cash and cash equivalents and managing working capital. The Corporation monitors its financial resources on a regular basis and updates its expected use of cash resources based on the latest available data.

The Corporation's financial liabilities, classified as current, primarily consist of accounts payables and amounts due to related parties. As at December 31, 2023, the Corporation's current liabilities were $346,193 (December 31, 2022 - $202,678) with all of it having expected settlement dates within one year or where conditions exist that could result in accelerated payment.

(Expressed in Canadian Dollars)

12. Loss Per Share

In calculating the diluted loss per share, issued and outstanding incentive stock options and warrants were not considered as they would have been anti-dilutive.

For the Year Ended December 31,	2023	2022
Denominator basic and diluted loss per share		
Weighted average number of Common shares outstanding	88,919,800	54,329,118
	88,919,800	54,329,118

13. Acquisition of QLM

On July 28, 2022, concurrent with the RTO transaction (Note 14) FLMI and QLM merged. As QLM did not constitute a business as defined under IFRS 3, the merger was treated as an acquisition under IFRS 2, where the difference between the consideration given by FLMI to acquire the QLM, and the net asset value of QLM was allocated to QLM's only non-monetary asset. The Corporation issued 6,180,000 common shares for the acquisition of QLM of which 800,000 common shares were held in escrow at the acquisition date (Note 6) and will be released over a period 36 months after the completion of the RTO (Notes 6 and 14). The Corporation allocated a discount of $92,000 to the escrow shares.

The fair value of the consideration, assets and liabilities acquired are as follow:

Consideration	
Fair value of Common shares issued (Note 6)	$ 1,453,000
Identifiable assets acquired	
Sales tax receivable	$ 4,804
Senneville property (Note 4)	20,000
Loan receivable	812,294
Accounts payable and accrued liabilities	(34,415)
Total identifiable assets acquired	802,683
Additional fair value assigned to Senneville property (Note 4)	650,317
Total net identifiable assets	$ 1,453,000

14. Reverse Takeover Transaction

On July 28, 2022, PCG, the legal acquirer, completed its legal acquisition of FLMI, whereby PCG acquired all of the issued and outstanding shares of FLMI in exchange for 8,204,342 common shares of PCG (Note 6). The Corporation did not constitute a business as defined under IFRS 3; therefore, the RTO is accounted under IFRS 2, where the difference between the consideration given up to acquire the Corporation and the net asset value of the Corporation is recorded as a listing expense in the Consolidated Statements of Operations and Comprehensive Loss. The accounting for this transaction resulted in the following:

1) The Financial Statements of the combined entity are issued under the legal parent, PCG, but are considered a continuation of the financial statements of the legal subsidiary, FLMI.
2) As FLMI is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the Financial Statements at their historical carrying values.

(Expressed in Canadian Dollars)

14. Reverse Takeover Transaction – continued

The shares allocated to the former shareholders of PCG on closing the RTO, were considered within the scope of IFRS 2, whereby the value in excess of the net identifiable assets or obligations of the Corporation acquired on closing was charged to the Consolidated Statements of Operations and Comprehensive Loss as a listing expense. The fair value of the 8,204,342 common shares issued for all of PCG shares was determined to be $1,571,075, (Note 6). In addition, PCG issued 3,316,372 common shares with a fair value of at $829,093 as a finders' fee (Note 7). Of the 8,204,342 common shares issued to PCG, 5,500,000 common shares were held in escrow at the acquisition date (Note 6) and will be released over a period of 15 months after the completion of the RTO. The Corporation allocated a discount of $480,000 to the escrow shares in determining the fair value of $1,571,075.

The fair value of the consideration given and charged to listing expense was comprised of:

Consideration	
Fair value of Common shares issued (Note 6)	$ 1,571,075
Fair value of finders' fee (Note 6)	829,093
Professional fees incurred for RTO	378,068
Total consideration	$ 2,778,236
Identifiable assets acquired	
Cash	$ 32,826
Accounts receivable	4,788
Loan receivable	192,635
Accounts payable and accrued liabilities	(82,933)
Total identifiable assets acquired	147,316
Unidentifiable assets acquired	
Listing expense	2,630,920
Total net identifiable assets and transaction cost	$ 2,778,236

15. Income taxes

The Corporation's income tax rate differs from the statutory rate of approximately 26.5% (2020 - 26.5%) as follows:

For the year ended December 31,	2023	2022
Pre-tax loss for the period before income taxes	$ (2,248,977)	$ (3,991,669)
Expected income tax recovery based on statutory rate	(595,975)	(1,057,800)
Permanent timing differences	64,747	678,000
Other	14,817	—
Income tax recovery	(516,411)	(379,000)
Valuation Allowance	516,411	379,000
Income tax recovery	$ —	$ —

(Expressed in Canadian Dollars)

15. Income Taxes – continued

Significant unrecognized tax benefits and used tax losses for which no deferred tax assets is recognized as of December 31 are as follows:

As at December 31,	2023	2022
Non-capital losses carried forward	$ 1,797,836	$ 1,439,608
Share issuance costs	44,451	74,084
Exploration and evaluation asset	187,816	—
Unrecognized deferred tax asset	2,030,103	1,513,692
Valuation Allowance	(2,030,103)	(1,513,692)
Income tax recovery	$ —	$ —

As at December 31, 2023, the Company had accumulated income tax loses of approximately $6,784,288 available for carry forward to reduce future year's income for income tax purposes expiring between 2026 and 2043.