Hemlo Explorers

Financial Statements

January 31, 2024 and 2023

(expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Hemlo Explorers Inc.:

Opinion

We have audited the financial statements of Hemlo Explorers Inc. (the "Company"), which comprise the statements of financial position as at January 31, 2024 and January 31, 2023, and the statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2024 and January 31, 2023, 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 audits 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 audits 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 during the year ended January 31, 2024 and, as of that date, the Company had an accumulated deficit. 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 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 audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits 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. 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 Sandra Alison Solecki.

MNP LLP

Mississauga, Ontario | Chartered Professional Accountants

May 23, 2024 | Licensed Public Accountants

Hemlo Explorers Inc.
Statements of Financial Position
As at January 31, 2024 and 2023
(Expressed in Canadian dollars)

	2024	2023
Assets		
Current assets		
Cash and cash equivalents *(note 5)*	$ 99,027	$ 327,751
Marketable securities *(note 6)*	-	44,737
Accounts receivable	164,423	25,077
Prepaid expenses	11,084	23,421
	274,534	420,986
Non-Current assets		
Equipment, net *(note 7)*	4,764	7,734
Right of use asset, net *(note 8)*	-	6,945
	4,764	14,679
Total Assets	$ 279,298	$ 435,665
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(note 16)*	137,252	76,303
Lease liability - current *(note 8)*	-	7,089
	137,252	83,392
Shareholders' Equity		
Share capital *(note 10)*	35,383,863	34,714,591
Contributed surplus *(note 11)*	7,832,800	7,809,827
Warrants *(note 12)*	642,712	285,786
Accumulated deficit	(43,717,329)	(42,457,931)
	142,046	352,273
Total Equity and Liabilities	$ 279,298	$ 435,665

Nature of operations and going concern *(note 1)*
Subsequent events *(note 18)*

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

On behalf of the Board:

Signed: *"Brian Howlett"*
Director

Signed: *"Michael Leskovec"*
Director

Hemlo Explorers Inc.
Statements of Operations and Comprehensive Loss
For the years ended January 31, 2024 and 2023
(Expressed in Canadian dollars)

	2024	2023
Expenses		
Exploration expenditures *(note 9 and 16)*	**$ 1,407,575**	**$ 1,183,605**
Management and administrative services *(note 16)*	**253,216**	**249,214**
Professional and consulting fees	**109,008**	**136,954**
Office and administration	**83,419**	**72,991**
Shareholder information	**54,536**	**76,062**
Depreciation and amortization *(note 7 and 8)*	**9,915**	**14,639**
Travel	**841**	**21,805**
Interest accretion *(note 8)*	**59**	**242**
Loss (gain) on fair value of marketable securities	**(78,871)**	**2,193**
Recovery of exploration expenditures *(note 9 and 16)*	**(473,850)**	**(86,950)**
Recovery on sale of mineral properties *(note 9)*	**(100,000)**	**(102,500)**
Premium on flow-through shares income *(note 14)*	**-**	**(27,328)**
Interest income	**(6,450)**	**(13,643)**
Net loss and comprehensive loss	**$ (1,259,398)**	**$ (1,527,284)**
Basic & diluted loss per share *(note 13)*	**$ (0.03)**	**$ (0.04)**

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

Hemlo Explorers Inc.
Statements of Cash Flows
For the years ended January 31, 2024 and 2023
(Expressed in Canadian dollars)

	2024	2023
Operating Activities		
Net loss	$ (1,259,398)	$ (1,527,284)
Items not affecting cash and cash equivalents from operating activities:		
Interest income	(6,450)	(13,643)
Marketable securities received from sale of mineral property	-	(32,500)
Fair value of marketable securities	(78,871)	2,193
Depreciation and amortization	9,915	14,639
Accretion	59	242
Premium on flow-through shares income	-	(27,328)
Changes in non-cash working capital items		
Accounts receivable	(139,346)	21,527
Prepaid expenses	12,337	44,859
Accounts payable and accrued liabilities	60,949	(839)
	(1,400,805)	(1,518,134)
Financing Activities		
Issue of common shares	1,136,700	193,722
Share issue costs	(87,529)	(4,613)
Repayment of lease liability *(note 8)*	(7,148)	(9,531)
	1,042,023	179,578
Investing Activities		
Interest income	6,450	13,643
Sale of marketable securities	123,608	9,030
	130,058	22,673
Net change in cash and cash equivalents	(228,724)	(1,315,883)
Cash and cash equivalents, beginning of year	327,751	1,643,634
Cash and cash equivalents, end of year	$ 99,027	$ 327,751

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

Hemlo Explorers Inc.
Statements of Changes in Equity
For the years ended January 31, 2024 and 2023
(Expressed in Canadian dollars)

	Share Capital		Reserves			
	Number of shares	Amount	Contributed surplus	Warrants	Accumulated deficit	Total
Balance, January 31, 2022	**34,987,899**	**$ 34,525,482**	**$ 7,205,627**	**$ 889,986**	**$ (40,930,647)**	**$ 1,690,448**
Private placements *(note 10)*	1,841,468	193,722	-	-	-	193,722
Cost of issue of private placements	-	(4,613)	-	-	-	(4,613)
Fair value of warrants expired	-	-	604,200	(604,200)	-	-
Net loss and comprehensive loss for the year	-	-	-	-	(1,527,284)	(1,527,284)
Balance, January 31, 2023	**36,829,367**	**34,714,591**	**7,809,827**	**285,786**	**(42,457,931)**	**352,273**
Private placement *(note 10)*	13,895,553	1,136,700	-	-	-	1,136,700
Value of private placement attributed to warrants	-	(364,042)	-	364,042	-	-
Cost of issue of private placement *(note 10)*	-	(103,386)	-	15,857	-	(87,529)
Fair value of warrants expired	-	-	22,973	(22,973)	-	-
Net loss and comprehensive loss for the year	-	-	-	-	(1,259,398)	(1,259,398)
Balance, January 31, 2024	**50,724,920**	**$ 35,383,863**	**$ 7,832,800**	**$ 642,712**	**$ (43,717,329)**	**$ 142,046**

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

1. Nature of Operations and Going Concern

Hemlo Explorers Inc. (the "Company") was incorporated pursuant to the provision of the Business Corporations Act (of Alberta) on January 10, 2008. On July 21, 2008, the Company was authorized to continue its operations from the jurisdiction of Alberta to Ontario. The address of the Company's registered office is 141 Adelaide Street West, Suite 301, Toronto, Ontario M5H 3L5. Its principal business activity is the exploration of mineral properties. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the cumulative expenditures on mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of such properties.

These financial statements of the Company have been prepared on the basis of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future and that management does not intend to liquidate the entity, or has no realistic alternative but to do so. As at January 31, 2024, the Company had not yet achieved profitable operations, had a net loss of $1,259,398 (2023 - $1,527,284) and had an accumulated deficit of $43,717,329 (2023 - $42,457,931), and expects to incur further losses in the foreseeable future, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to obtain necessary financing and generate operational profit to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. The Company intends to raise additional financing to address the going concern issue. The success of the Company's endeavors cannot be predicted at this time. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. Basis of Presentation and Statement of Compliance

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

These financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business, and on a historical cost basis except for the revaluation of certain financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements were approved by the Board of Directors on May 23, 2024.

3. Material Accounting Policies

(a) Changes in accounting policies

The Company adopted the following standards during the year ended January 31, 2024:

Amendments to IAS 1 Presentation of Financial Statements ("IAS 1"), IFRS Practice Statement 2 Making Materiality Judgements ("IFRS Practice Statement 2") and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

In February 2021, the IASB issued narrow-scope amendments to IAS 1, IFRS Practice Statement 2 and IAS 8. The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments to IAS 8 clarify how companies distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Adoption of these amendments did not have a material impact on the Company's financial statements.

Amendments to IAS 12 – Income Taxes ("IAS 12")

In May 2021, the IASB issued amendments to the recognition exemptions under IAS 12 which were incorporated into Part I of the CPA Canada Handbook – AcSB in September 2021. The amendments narrowed the scope of the recognition exemption to require an entity to recognize deferred tax on initial recognition of particular transactions, to the extent that transaction gives rise to equal taxable and deductible temporary differences. These amendments apply to transactions for which an entity recognizes both an asset and liability, for example leases.

(b) Future changes in accounting standards not yet adopted

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt those standards when they become effective.

In October 2022, the IASB published amendments to IAS 1 Presentation of Financial Statements to clarify whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current (based on a substantive right to defer settlement). This amendment is effective for annual reporting periods beginning on or after January 1, 2024.

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Iinformation includes the core framework for the disclosure of material information about sustainability-related risks and opportunities and is effective January 1, 2024.

3. Material Accounting Policies - continued

(c) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Under IFRS 9, financial assets and financial liabilities are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the following primary measurement categories: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Below is a summary showing the classification and measurement basis of the Company's financial instruments.

Classification	IFRS 9
Cash and cash equivalents	FVTPL
Marketable securities	FVTPL
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's cash and cash equivalents, and marketable securities are classified as financial assets measured at FVTPL.

Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company’s business model for these financial assets is to collect their contractual cash flows; and 2) the asset’s contractual cash flows represent "solely payments of principal and interest". The Company's accounts receivable, excluding HST, are classified as financial assets measured at amortized cost.

3. Material Accounting Policies - continued

(c) Financial instruments - continued

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination. The Company's accounts payable and accrued liabilities does not fall into any of the exemptions and are therefore classified as measured at amortized cost.

Financial liabilities recorded at FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. 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 profit or loss.

3. Material Accounting Policies - continued

(c) Financial instruments - continued

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. At the date of the financial statements, the Company has no expected credit loss ("ECL") associated with its financial assets.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Fair value hierarchy

The Company classifies its financial instruments according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

Cash and cash equivalents and marketable securities are classified within level 1 of the fair value hierarchy.

(d) Mineral properties and exploration expenditures

The Company expenses all costs relating to the acquisition of, exploration for and development of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to geological, geophysical studies, exploratory drilling and sampling.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

3. Material Accounting Policies - continued

(e) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

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

(f) Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

3. Material Accounting Policies - continued

(g) Share issue costs

Costs incurred for the issue of common shares and warrants are deducted from share capital and warrants respectively.

(h) Share-based payment transactions

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(i) Asset retirement obligation

The operations of the Company are subject to regulations governing the environment, including future site restoration costs for mineral properties. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, the liability is recognized when a reasonable estimate of fair value can be made.

The Company has determined that there are no asset retirement obligations or any other environmental obligations with respect to its mineral properties, and therefore no liability has been recognized in these financial statements.

(j) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted earnings (loss) per share if their inclusion would be anti dilutive.

3. Material Accounting Policies - continued

(k) Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use. Depreciation is provided over the estimated useful lives of the equipment using the following methods:

(i) Exploration equipment – 30% declining balance

(ii) Office and computers – 55% declining balance

(l) Leases

The Company determines if an arrangement is a lease at contract inception by evaluating if the contract conveys the right to control the use of identified assets during the period of use. A right-of-use ("ROU") asset represents the Company's right to use an identified asset for the lease term and a lease liability represents the Company's obligation to make payments as set forth in the lease agreement. ROU assets and lease liabilities are included on the Company's statements of financial position and are recognized based on the present value of the future lease payments at the lease commencement date over the expected lease term which includes options to extend or terminate the lease when it is reasonably certain those options will be exercised. The interest rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate at lease inception, because the interest rate implicit in the lease is generally not readily determinable. A ROU asset initially equals the lease liability, adjusted for any lease payments made prior to lease commencement and any lease incentives. All leases are recorded on the statements of financial position except for leases with an initial term of less than 12 months. ROU assets are amortized on a straight-line basis over the shorter of the remaining useful life of the asset and lease term. Depreciation expense is recognized in the statement of operations and comprehensive loss.

(m) Government assistance

The Company recognizes government grants given on eligible expenditures when it is reasonably assured that they will be realized. The Company uses the cost reduction method to account for government grants, under which the credits are applied against the expense or asset to which the government grant relates.

4. Critical Accounting Estimates and Significant Judgements

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The financial statements include judgments and estimates which, by their nature, are uncertain, and actual outcomes could differ. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

The preparation of these financial statements required the following critical accounting estimates and significant judgments:

(i) The calculation of the fair value of warrants and stock options requires the use of estimates of inputs in the Black-Scholes option pricing model (notes 11 and 12).

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

(iii) The preparation of these financial statements requires management to make judgments regarding the going concern of the Company.

5. Cash and Cash Equivalents

Cash and cash equivalents include money market instruments which are readily convertible into cash or have maturities at the date of purchase of less than ninety days.

	2024	2023
Cash	$ 99,027	$ 74,744
GICs and money market instruments	-	253,007
Cash and cash equivalents	**$ 99,027**	**$ 327,751**

(Expressed in Canadian dollars)

6. Marketable Securities

During the year ended January 31, 2023, the Company received marketable securities as partial compensation for the option of a property. During the year ended January 31, 2024, the Company sold the marketable securities for net proceeds of $123,608.

The following is a summary of the fair value of the Company's marketable securities:

	2024	2023
Marketable securities	**$ -**	**$ 44,737**

7. Equipment

	Exploration Equipment	Office & Computers	Total
Cost			
Balance, January 31, 2022	$ 11,804	$ 13,843	$ 25,647
Balance, January 31, 2023	11,804	13,843	25,647
Balance, January 31, 2024	**$ 11,804**	**$ 13,843**	**$ 25,647**
Accumulated depreciation			
Balance, January 31, 2022	$ (4,471)	$ (8,063)	$ (12,534)
Depreciation expense	(2,200)	(3,179)	(5,379)
Balance, January 31, 2023	(6,671)	(11,242)	(17,913)
Depreciation expense	(1,539)	(1,431)	(2,970)
Balance, January 31, 2024	**$ (8,210)**	**$ (12,673)**	**$ (20,883)**
Net book value			
Balance, January 31, 2022	$ 7,333	$ 5,780	$ 13,113
Balance, January 31, 2023	$ 5,133	$ 2,601	$ 7,734
Balance, January 31, 2024	**$ 3,594**	**$ 1,170**	**$ 4,764**

(Expressed in Canadian dollars)

8. Leases and Right of Use

The following table summarizes the Company's lease liabilities:

Balance, January 31, 2022	**$**	**16,378**
Accretion of interest		242
Payments		(9,531)
Balance, January 31, 2023		**7,089**
Accretion of interest		59
Payments		(7,148)
Balance, January 31, 2024	**$**	**-**
Current	$	-
Non-current		-
Total lease liabilities	**$**	**-**

The following table summarizes the Company's right-of-use asset:

Balance, January 31, 2022	**$**	**16,205**
Depreciation		(9,260)
Balance, January 31, 2023		**6,945**
Depreciation		(6,945)
Balance, January 31, 2024	**$**	**-**

9. Mineral Properties and Exploration Expenditures

The total cumulative expenditures, net of recoveries, on each property in the Company's mineral property portfolio are as follows:

	Project Idaho	North Limb	Pic	Hemlo West	Belcher Islands & Other	Total
January 31, 2022	**$ -**	**$ 3,938,125**	**$ 7,292,385**	**$ 240,813**	**$ 14,222,906**	**$ 25,694,229**
Expenditures	882,916	31,693	258,467	5,625	4,904	1,183,605
Recoveries	(72,350)	(9,600)	(5,000)	-	(102,500)	(189,450)
Disposals *	-	-	-	(246,438)	-	(246,438)
January 31, 2023	**810,566**	**3,960,218**	**7,545,852**	**-**	**14,125,310**	**26,441,946**
Expenditures	1,238,083	28,655	11,351	-	129,486	1,407,575
Recoveries	(340,000)	(6,400)	(5,000)	-	(222,450)	(573,850)
Disposals *	-	-	-	-	-	-
January 31, 2024	**$ 1,708,649**	**$ 3,982,473**	**$ 7,552,203**	**$ -**	**$ 14,032,346**	**$ 27,275,671**

** Disposal indicates the Company no longer holds an interest in the respective project, and as such the cumulative expenditure has been eliminated.*

9. Mineral Properties and Exploration Expenditures - continued

Project Idaho

On April 23, 2017, the Company entered into an acquisition agreement (the "Black Raven Agreement") with StrikePoint Gold Inc. ("StrikePoint") to acquire a 100% interest in 6,640 hectares of mineral claims located adjacent to the Company's Wire Lake Claims with additional detail below. A 1,380-hectare portion of those claims were identified as Project Idaho, subject to the same terms as the Black Raven Agreement.

During the year ended January 31, 2024, the Company received $340,000 (2023 - $60,000) from the Ontario Government under the Ontario Junior Exploration Program ("OJEP"). These amounts were recorded as recovery of costs relating to exploration expenditures on Project Idaho. At January 31, 2024, $140,000 of this amount was included in accounts receivable (2023 - nil) and received subsequent to period end.

Pic Project

Staked Claims

In addition to the option and claim purchases described below, the Company has staked mining claim cells that form a portion of the Pic Project.

Wire Lake Claims

On October 7, 2016, the Company entered into an option agreement with All-Terrain Track Sales & Services Ltd. ("ATTSS") to acquire a 100% interest in 4,047 hectares of mineral claims approximately 15 kilometers northeast of Marathon, Ontario. The option was completed on October 7, 2021 and the Company granted ATTSS a 2% net smelter returns ("NSR") royalty, one-half of which may be bought back for a lump sum payment of $1,000,000.

Black Raven Claims

On April 23, 2017, the Company entered into an acquisition agreement (the "Black Raven Agreement") with StrikePoint Gold Inc. ("StrikePoint") to acquire a 100% interest in 6,640 hectares of mineral claims located adjacent to the Company's Wire Lake Claims.

In conjunction with the Black Raven Agreement, on April 23, 2017 the Company executed a termination and assumption agreement (the "Termination and Assumption Agreement") with the underlying optionors of the Black Raven Claims in order to terminate the underlying option agreement, discharge a future milestone payment and assume the underlying royalty obligations. The Termination and Assumption Agreement called for the Company to assume a 2.5% NSR royalty. The royalty agreement provides that 1.5% of the NSR royalty may be bought back by the Company at any time upon payment of $1,500,000, or in increments of 0.5% NSR royalty for $500,000 each.

9. Mineral Properties and Exploration Expenditures - continued

Pic Project - continued

Goodchild Claims

On February 20, 2018, the Company purchased the Goodchild Lake mining claims (the "Goodchild Claims") from the court-appointed receiver of Century Mining Corporation ("Century") for a cash payment of $40,000, the assumption of Century's three percent (3%) NSR royalty obligations in respect of the Goodchild Claims and the payment of a portion of the receiver's expenses associated with the transaction. In connection with the purchase, the Company also entered into an agreement with Teck Resources Limited ("Teck") to terminate certain rights Teck had in relation to the Goodchild Claims in exchange for the granting to Teck of a one-half of one percent (0.5%) NSR royalty in respect of the Goodchild Claims. The Company also entered into an agreement with the existing NSR royalty holders on the Goodchild Claims to vary the terms on which the royalty may be bought down, with the Company obtaining the right to purchase up to two-thirds of the royalty for $1,500,000.

Benton Claims

On August 16, 2018, the Company completed the acquisition of the "Goodchild Lake" mining claims (the "Benton Claims") from Benton Resources Inc. ("Benton"). The Benton Claims consists of 31 claim cells totaling approximately 500 hectares, and covers a prospective trend adjacent to the northwest portion of the Company's 100% owned Black Raven Claims. The Company granted Benton a 1.5% NSR royalty and the Company will have the option to buy-down 50% of the NSR royalty at any time for the sum of $750,000.

Barrick Option

On August 29, 2022, the Company executed a definitive agreement (the "Definitive Agreement") with a wholly-owned subsidiary of Barrick Gold Corporation ("Barrick") whereby Barrick will have the right to earn into 910 claims comprising 16,800 hectares for part of the Pic Project. The key terms being that:

(i) Barrick may earn an 80% interest (the "Earn-In") in the Pic Project by delivering to the Company a Pre-Feasibility Study within six years (the "Expenditure Period") of the Definitive Agreement (of which at least $800,000 is the guaranteed expenditure in the first twelve months, subject to certain conditions);
(ii) In order to maintain the Earn-In right from the date of the first anniversary of the Definitive Agreement to the end of the Expenditure Period, Barrick must fund work expenditures of $1,000,000 on or before each anniversary of the Definitive Agreement;
(iii) Barrick will have the option to extend the Expenditure Period by two additional one-year periods by paying to the Company an amount of $500,000 for each one-year extension;
(iv) Subject to a successful Earn-In by Barrick, the Company and Barrick shall establish a joint-venture corporation (the "JV Corp."), to be held on the basis of 20% as to the Company and 80% as to Barrick;
(v) If either party's interest in the JV Corp. declines below a 10% threshold, then that party's interest shall, as applicable, convert to a 1% NSR royalty.

9. Mineral Properties and Exploration Expenditures - continued

North Limb Project

On May 24, 2016, the Company purchased a 100% interest in 2,160 hectares of claims approximately 40 kilometers northeast of Marathon, Ontario subject to a 1% NSR royalty on the purchased claims.

In addition to the purchased claims, the Company staked claims totaling 4,848 hectares.

On May 8, 2020, the Company closed the purchase of the Hemlo West and North Hemlo projects (collectively, the "Projects”) from O3 Mining Inc. (“O3”). The North Hemlo project added 64 mining claim cells to the North Limb Project. If in the future the Company publishes a feasibility study in respect of the Projects that contains at least 2,000,000 ounces of gold categorized as Probable Mineral Reserves, Proven Mineral Reserves or a combination thereof, then the Company shall pay a discovery bonus of $1,000,000 (in cash or shares, at the election of the Company) to O3 within ten days of such publication.

Hemlo West Project

On September 28, 2022, the Company announced the execution of an Exploration Agreement (the “Agreement”) with Biigtigong Nishnaabeg (“Biigtigong”) which covers exploration on Project Idaho and the Pic Project. The Agreement allows for the Company to move forward expeditiously with its exploration plans for both Project Idaho and the Barrick Option. As part of the Agreement, the Company transferred the mining claims known as Hemlo West to N’hinmaagewin Ltd., a company owned by Biigtigong. The Company retained a 5% NSR royalty on the claims.

Belcher Islands Iron Project

On February 14, 2011, the Company entered into a Purchase Agreement (the "Agreement") to acquire up to a 100% legal and beneficial interest in the Inuit Owned Lands Mineral Exploration Agreement (the "NTI Agreement") with Nunavut Tunngavik Incorporated ("NTI") which covers the Haig Inlet Iron Project with an area of approximately 1,226 hectares, located on the Belcher Islands, Nunavut, Canada. The Company now holds a 100% interest in the NTI Agreement and the vendors retain a 3% gross overriding royalty, of which one-third can be purchased by the Company for a maximum of $3,000,000.

Hawkins Project Royalty Interest

The Company had a 0.5% NSR royalty on the Hawkins project, which covers 1,536 hectares located in the Hawkins and Walls Townships of Ontario. On December 22, 2023, the Company sold the 0.5% NSR royalty to Vox Royalty Corp. for gross proceeds of $100,000.

10. Share Capital

Authorized share capital

At January 31, 2024, the authorized share capital consisted of an unlimited number of common shares and the issued share capital amounted to 50,724,920 common shares for $35,383,863. The common shares do not have a par value. All issued shares are fully paid.

On August 31, 2022, the Company closed a private placement financing for gross proceeds totaling $193,722 through the issuance of 1,841,468 common shares priced at $0.1052 per common share. The Company paid issuance costs of $4,613 in connection with the financing.

On June 30, 2023, and July 21, 2023, the Company closed a private placement financing for gross proceeds totaling $1,136,700 over two tranches. In the first tranche, the Company issued 7,293,333 units ("Units"), each comprised of one non flow-through common share and one common share purchase warrant (each whole common share purchase warrant, a "Warrant") and 2,291,110 "flow-through" units ("FT Units"), each comprised of one flow-through common share and one Warrant, for aggregate gross proceeds of approximately $753,200. In the second tranche, the Company issued 300,000 Units and 4,011,110 FT Units for aggregate gross proceeds of approximately $383,500. Each Warrant is exercisable to acquire one common share of the Company (a "Warrant Share") at an exercise price of $0.15 per Warrant Share until December 30, 2024, but subject to certain accelerated expiry terms (note 12). The Company paid issuance costs of $61,411, cash finders' fees of $26,118 and issued 324,800 finder's warrants (note 12) valued at $15,857 as compensation in connection with the financing.

Exercise of Warrants

During the years ended January 31, 2024 and 2023, no share purchase warrants were exercised.

11. Share Options

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of five years with vesting requirements at the discretion of the Board of Directors.

The Company records a charge to the statements of operations and comprehensive loss using the Black-Scholes fair valuation option pricing model with respect to a share option grant. The valuation is dependent on a number of estimates, including the risk-free interest rate, the level of share volatility, together with an estimate of the expected life. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

(Expressed in Canadian dollars)

11. Share Options - continued

The following table reflects the continuity of share options for the years ended January 31, 2024 and 2023:

	Options	Weighted avg. exercise price
Balance, January 31, 2022	3,485,000	$ 0.49
Expired	(836,666)	0.60
Balance, January 31, 2023	2,648,334	0.45
Expired	(478,334)	0.38
Balance, January 31, 2024	**2,170,000**	**$ 0.47**

The following table reflects the actual share options issued, exercisable, and outstanding as at January 31, 2024.

Expiry date	Options	Exercise price
March 9, 2025	445,000	$ 0.30
May 19, 2025	60,000	0.45
October 5, 2025	755,000	0.80
October 23, 2025	60,000	0.80
September 27, 2026	50,000	0.35
January 11, 2027	800,000	0.225
	2,170,000	**$ 0.47**

12. Warrants

The table below reflects the continuity of warrants for the years ended January 31, 2024 and 2023:

	Number of warrants	Allocated value
Balance, January 31, 2022	6,665,264	$ 889,986
Expired	(2,500,000)	(604,200)
Balance, January 31, 2023	4,165,264	285,786
Issued	14,220,353	379,899
Expired	(233,226)	(22,973)
Balance, January 31, 2024	**18,152,391**	**$ 642,712**

(Expressed in Canadian dollars)

12. Warrants - continued

The exercise price and expiry date of the warrants outstanding as at January 31, 2024 are:

Expiry Date	Type	Number	Exercise Price
November 25, 2024	Warrants	3,932,038	$ 0.40
December 30, 2024	Warrants	13,895,553	0.15
December 30, 2024	Finder's warrants	324,800	0.075
		18,152,391	**$ 0.20**

During the years ended January 31, 2024 and 2023 the following warrants were issued and valued using the Black-Scholes option pricing model parameters listed below (in each case with no dividends):

	Expiry Date	Stock Price	Exercise Price	Risk-free Interest Rate	Expected Life (years)	Volatility Factor	Fair Value
2023-June Warrants	Dec. 30, 2024	$ 0.075	$ 0.150	4.58 %	1.50	131.04 %	$ 0.033
2023-June Finder's wts	Dec. 30, 2024	$ 0.075	$ 0.075	4.58 %	1.50	131.04 %	$ 0.044
2023-July Warrants	Dec. 30, 2024	$ 0.110	$ 0.150	4.71 %	1.45	131.90 %	$ 0.057
2023-July Finder's wts	Dec. 30, 2024	$ 0.110	$ 0.075	4.71 %	1.45	131.90 %	$ 0.073

13. Loss Per Common Share

The following table sets forth the computation of basic and diluted loss per share for the years ended January 31, 2024 and 2023:

	2024	2023
Loss attributable to common shareholders	$ (1,259,398)	$ (1,527,284)
Weighted-average common shares outstanding - basic and diluted	44,766,382	35,759,802
Basic and diluted loss per common share	**$ (0.03)**	**$ (0.04)**

Diluted loss per share does not include the effect of share options and warrants outstanding if their effect is anti-dilutive.

(Expressed in Canadian dollars)

14. Deferred Premium on Flow-through Shares

To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium is recorded as a liability on the Company's statement of financial position at the time of subscription. This liability is reduced, on a pro-rata basis, as the Company fulfills its expenditure renunciation obligation associated with such flow-through share issuances, with an offsetting amount recognized as income.

Balance, January 31, 2022	**$ 27,328**
Premium recognized in loss from operations	(27,328)
Balance, January 31, 2023	**-**
Balance, January 31, 2024	**$ -**

As at January 31, 2024, the Company had no flow-through expenditure commitments remaining.

15. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2023 - 26.5%) to the effective tax rate is as follows:

	2024	**2023**
Net loss before recovery of income taxes	$ (1,259,398)	$ (1,527,284)
Expected income tax (recovery) expense	(333,740)	(404,730)
Non-deductible and other expenses	8,280	9,780
Share issuance costs booked directly to equity	(27,400)	(1,220)
Non-taxable portion of capital gain	(10,450)	-
Renunciation of flow-through expenditures	150,140	-
Change in tax benefits not recognized	213,170	396,170
Income tax (recovery) expense	-	-

(Expressed in Canadian dollars)

15. Income Taxes - continued

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2024	2023
Operating tax losses carried forward	$ 9,491,760	$ 9,439,690
Capital losses carried forward	135,010	122,770
Resource pools - mineral properties	21,540,590	20,799,590
Mining tax credits	510,880	510,880
Share issuance costs	183,710	169,670
Property, plant, and equipment	11,570	20,370

The Canadian operating tax loss carry forwards expire as noted in the table below. The capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The Company's Canadian operating tax losses expire as follows:

Year	Amount	Year	Amount
2029	$ 67,900	2037	$ 775,540
2030	79,740	2038	738,710
2031	67,900	2039	692,880
2032	953,130	2040	954,280
2033	1,241,970	2041	550,160
2034	864,550	2042	529,960
2035	766,920	2043	522,510
2036	633,400	2044	52,210
Total			**$9,491,760**

(Expressed in Canadian dollars)

16. Related Party Transactions and Balances

(a) Director and executive management compensation

Directors and executive management's compensation for the years ended January 31, 2024 and 2023 consisted of the following:

	2024	2023
Salary	$ 203,883	$ 195,550
Consulting fees	4,200	2,400
Employment benefits	14,924	14,475
	$ 223,007	**$ 212,425**

Directors and executive management did not receive any stock options during the years ended January 31, 2024 and 2023.

(b) Director and executive management transactions

The aggregate value of transactions and outstanding balances relating to entities over which directors and executive management have control or significant influence were as follows:

		Transaction value year ended Jan. 31,		Balance outstanding as at Jan. 31,	
Account	**Note**	**2024**	**2023**	**2024**	**2023**
Management and administrative services	(i)	$ 127,083	$ 118,750	$ 12,500	$ -
Exploration expenditures	(ii)	4,200	2,400	-	-
Recovery of costs	(iii)	122,450	12,350	19,267	7,345
		$ 253,733	**$ 133,500**	**$ 31,767**	**$ 7,345**

(i) Brian Howlett, Chief Executive Officer and a Director of the Company, voluntarily deferred a portion of his salary during the year ended January 31, 2024.

(ii) The Company paid geological consulting fees to Harvey Holdings Inc., a corporation controlled by John Harvey, a member of the Board of Directors.

(iii) The Company charged geological consulting fees to Juno Corp., a corporation with common management and directors, for the time of the Company's geologists.

17. Capital Risk Management

The Company's capital is composed of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish 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 properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended January 31, 2024. The Company is not subject to externally imposed capital requirements.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

The Company's credit risk is primarily attributable to accounts receivable which consist primarily of Harmonized Sales Tax receivable and Ontario Junior Exploration Program grants from the Ontario Government. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote.

(b) Liquidity risk

The Company is currently in the exploration stage and has not commenced commercial operations. As at the date of issue of these financial statements, the Company had an accumulated deficit of $43,717,329. As at January 31, 2024, the Company was not yet generating operating cash flows, and had working capital of $137,282 (January 31, 2023: $337,594). Within this amount, it had a cash balance of $99,027 (January 31, 2023: $327,751) to settle current liabilities of $137,252 (January 31, 2023: $83,392).

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to fund its liabilities as they become due. All of the Company's financial liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company may be required to obtain additional capital to continue its progress toward recovering the amount expended on its mineral properties, and although success in this regard is not assured, management is of the opinion that additional capital can be raised as required for the foreseeable future.

17. Capital Risk Management - continued

Financial risk factors - continued

(c) Market risk

(i) Interest rate risk

The Company has cash balances and no interest-bearing debt. Interest rate risk is remote.

(ii) Price risk

The Company is indirectly exposed to price risk with respect to the price of both precious and base metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(d) Fair Value

The fair values of the Company's cash and cash equivalents, accounts receivable and accounts payable approximate their carrying values because of the short term-nature of these instruments.

18. Subsequent Events

(a) On February 29, 2024 the Company received the final payment of $140,000 from the Ontario Government under the Ontario Junior Exploration Program ("OJEP"). In September 2023, the Company had been selected to receive grant funding to cover up to 50% of eligible exploration costs, to a maximum of $200,000 in respect of expenditures incurred by the Company during the period from April 1, 2023 to February 15, 2024.

(b) On May 17, 2024 the Company entered into two unsecured loan agreements (“Loan Agreements”) with arm’s length lenders (“Lenders”), pursuant to which the Lenders will loan to the Company a total of $200,000 at an interest rate of 10% per annum compounded daily and payable in arrears every six months (or on maturity if paid in advance). The loans will become due on the earlier of (i) November 17, 2025 and (ii) the Company raising gross proceeds from an equity financing of at least $500,000, but may be repaid early without penalty. Amounts drawn under the Loan Agreements are intended to be used for working capital requirements of the Company.