VETA RESOURCES INC.

Consolidated Financial Statements

For the years ended

December 31, 2022 and 2021

(Expressed in Canadian Dollars)

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Veta Resources Inc.

Opinion

We have audited the consolidated financial statements of **Veta Resources Inc.** ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and December 31, 2021 and the consolidated statements of comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Veta Resources Inc.** as at December 31, 2022 and December 31, 2021 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 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.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the company had a working capital deficiency of $332,826 (2021 - $126,852) had not yet achieved profitable operations, has accumulated losses of $4,366,575 (2021 - $4,160,601) and expects to incur future losses in the development of its business. 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

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

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

To the Shareholders of Veta Resources Inc. (Continued)

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 it 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 a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants
St. Catharines, Ontario
April 26, 2023

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Veta Resources Inc., are the responsibility of the management and Board of Directors of the Company.

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

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

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

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

“Carly Burk”	“Arvin Ramos”
Carly Burk	Arvin Ramos
CEO	CFO

Veta Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

		December 31, 2022		December 31, 2021
Assets				
Current Assets				
Cash and cash equivalents *(Note 6)*	**$**	**44,326**	$	69,794
Receivables *(Note 7)*		**848**		17,388
Total assets	**$**	**45,174**	$	87,182
Liabilities				
Current Liabilities				
Trade and other payables *(Notes 8 and 9)*	**$**	**378,000**	$	214,034
Total liabilities		**378,000**		214,034
Shareholders' deficiency				
Share capital *(Note 10)*		**1,715,342**		1,715,342
Reserve for warrants *(Note 11)*		**900,000**		900,000
Reserve for share-based payments *(Note 13)*		**1,418,407**		1,418,407
Accumulated deficit		**(4,366,575)**		(4,160,601)
Total shareholders' deficiency		**(332,826)**		(126,852)
Total liabilities and shareholders' deficiency	**$**	**45,174**	$	87,182

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the Board of Directors on April 21, 2023

"Chris Irwin" (signed)
Director

"Daniel Nauth" (signed)
Director

Veta Resources Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Year ended December 31,	**2022**	2021
Expenses		
Management and consulting fees *(Note 8)*	**$ 120,000**	$ 95,000
Office and general	**218**	533
Professional fees *(Note 8)*	**40,207**	40,363
Shareholder information and regulatory costs	**22,272**	22,561
Foreign exchange loss (gain)	**1,117**	373
Total operating expenses	**$ (183,814)**	$ (158,830)
Other income (expenses)		
Gain on debt settlement	**-**	12,000
Write down of receivables	**(29,576)**	-
Gain on reversal of trade and other payables	**880**	-
Loss before discontinued operations	**$ (212,510)**	$ (146,830)
Discontinued Operations		
Gain on disposal of Chilean subsidiary *(Note 14)*	**-**	12,156
Professional fees – BC Subsidiaries *(Notes 1 and 14)*	**(20,060)**	(22,140)
Current income tax recovery – discontinued operations	**-**	4,256
Loss from discontinued operations	**(20,060)**	(5,728)
Loss before income tax expense	**(232,570)**	(152,558)
Current income tax expense	**-**	(4,256)
Total loss and comprehensive loss	**$ (232,570)**	$ (156,814)
Basic and diluted loss per share – continuing operations	**$ (0.01)**	$ (0.02)
Basic and diluted loss per share – discontinued operations	**(0.00)**	(0.00)
Basic and diluted loss per share – total	**$ (0.01)**	$ 0.02)
Basic and diluted (000's)	**22,591**	6,984

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

Veta Resources Inc.

Consolidated Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars)

	Number of common shares*	Share capital	Warrants reserve	Share-based payment reserve	Accumulated Deficit	Total
Balance at January 1, 2021	2,318,602	$ 1,309,899	$ 900,000	$ 1,418,407	$ (4,003,787)	$ (375,481)
Shares issued on private placement (Note 10)	6,000,000	120,000	-	-	-	120,000
Shares issued for debt settlement (Note 10)	14,272,148	285,443	-	-	-	285,443
Net loss for the period	-	-	-	-	(156,814)	(156,814)
Balance at December 31, 2021	**22,590,750**	**$ 1,715,342**	**$ 900,000**	**$ 1,418,407**	**-$ 4,160,601**	**$ (126,852)**
Plan of arrangement distribution (Note 14)	-	-	-	-	26,596	26,596
Net loss for the period	-	-	-	-	(232,570)	(232,570)
Balance at December 31, 2022	**22,590,750**	**$ 1,715,342**	**$ 900,000**	**$ 1,418,407**	**$ (4,366,575)**	**$ (332,826)**

* On March 29, 2021, the Company filed articles of amendment to effect a consolidation of all of the issued and outstanding common shares of the Company on the basis of one (1) post-Consolidation Common Share for every ten (10) pre-Consolidation Common Shares, resulting in its previously outstanding 23,186,320 Common Shares of the Company being consolidated into approximately 2,318,602 Common Shares.

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

Veta Resources Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Year ended December 31,		**2022**		2021
Operating activities				
Continuing operations				
Net loss for the year	**$**	**(232,570)**	$	(156,814)
Adjust for non-cash items in net loss:				
Gain on reversal of trade and other payables		**(880)**		-
Write down of receivables		**29,576**		
Gain on settlement of debt		**-**		(12,000)
Gain on disposal of subsidiary		**-**		(12,156)
Current income tax recovery – discontinued operations		**-**		(4,256)
Current income tax expense		**-**		4,256
Adjust for other discontinued operations in net loss:				
Professional fees – BC subsidiaries		**20,060**		22,140
Net change in non-working capital				
Receivables		**13,560**		(14,330)
Trade and other payables		**164,846**		99,478
Cash flows provide by (used in) used in continuing operating activities		**(5,408)**		(73,682)
Discontinued operations				
Professional fees – BC subsidiaries		**(20,060)**		(22,140)
Cash used in discontinued operating activities		**(20,060)**		(22,140)
Cash flows from operating activities		**(25,468)**		(95,822)
Investing activities – discontinued operations				
Proceeds from sale of subsidiary		**-**		12,156
Cash flows from investing activities – discontinued operations		**-**		12,156
Financing activities				
Proceeds from share issuance, net of costs		**-**		120,000
Cash flows from financing activities		**-**		120,000
Net change in cash and cash equivalents		**(25,468)**		36,334
Cash and cash equivalents, beginning of year		**69,794**		33,460
Cash and cash equivalents, end of year	**$**	**44,326**	$	69,794

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Veta Resources Inc. ("Veta", or "the Company"), was incorporated on August 18, 2006 under the Canada Business Corporations Act. Its principal business activity is mineral exploration and evaluation. The Company's head office is located at 217 Queen Street West, Suite 401 Toronto, Ontario M5V 0R2.

During the month of October 2021, the Company incorporated eight (8) wholly-owned subsidiaries, namely 1329291 B.C. Ltd. ("291 BC"), 1329293 B.C. Ltd. ("293 BC"), 1329295 B.C. Ltd. ("295 BC"), 1329300 B.C. Ltd. ("300 BC"), 1329306 B.C. Ltd. ("306 BC"), 1329307 B.C. Ltd. ("307 BC"), 1329308 B.C. Ltd. ("308 BC") and 1329310 B.C. Ltd. ("310 BC").

On February 18, 2022, the Company completed its plan of arrangement involving distribution of common shares of each of 291 BC, 293 BC, 295 BC, 300 BC, 306 BC, 307 BC, 308 BC and 310 BC to current shareholders of the Company on the basis of:

(i) 22,950,750 291 BC common shares;
(ii) 22,950,750 293 BC common shares;
(iii) 22,950,750 295 BC common shares;
(iv) 22,950,750 300 BC common shares
(v) 22,950,750 306 BC common shares;
(vi) 22,950,750 307 BC common shares;
(vii) 22,950,750 308 BC common shares; and
(viii) 22,950,750 310 BC common shares,

per outstanding common share of the Company.

The Company is at an early stage of development and, as is common with many exploration companies, it relies on financings to fund its exploration and acquisition activities. The Company had a deficiency of current assets over current liabilities of $332,826 at December 31, 2022; had not yet achieved profitable operations; had accumulated losses of $4,366,575 at December 31, 2022; and expects to incur further losses in the development of its business. Veta does not have adequate cash resources to fund its operations over the next twelve months and will require additional financing in order to conduct its planned activities, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. There can be no certainty as to the ability of the Company to raise sufficient additional financing in order to continue to operate, and accordingly, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Company's Financial Statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the IFRS and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized by the Board of Directors of the Company on April 21, 2023.

2. BASIS OF PREPARATION (continued)

2.2 Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2.3 Use of management estimates, judgments and measurement uncertainty

The preparation of these consolidated financial statements using accounting policies in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below:

Calculation of share-based payments and warrants
The Black-Scholes option pricing model is used to determine the fair value for the share-based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Functional currency
The Company's management is required to make judgments as to the currency of the primary economic environment in which an entity operates to determine the functional currency of the entity. The Company has determined the functional currency of the parent company and the former BC subsidiaries to be the Canadian dollar and Veta Chile to be the US dollar.

2. BASIS OF PREPARATION (continued)

2.4 Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements include the accounts of the Company as at and for the years ended December 31, 2022 and December 31, 2021 and the accounts of its former wholly owned subsidiaries – 1329310 BC Ltd., 1329308 BC Ltd., 1329307 BC Ltd., 1329306 BC Ltd., 1329300 BC Ltd., 1329295 BC Ltd., 1329293 BC Ltd. and 1329291 BC Ltd. for the period January 1, 2022 to the date of the plan of arrangement as described in Note 1 of February 18, 2022 and as at December 31, 2021 and for the period from date of incorporation of October 20, 2021 to December 31, 2021 and the accounts of its former subsidiary Veta Resources Chile SpA, ("Veta Chile") a company based in Chile, for the period January 1, 2021 to the date of sale of the subsidiary of February 17, 2021 as disclosed in Note 14.

Consolidation of Veta Chile ceased on February 17, 2021, the date of sale, due to loss of control.

Consolidation of 1329310 BC Ltd., 1329308 BC Ltd., 1329307 BC Ltd., 1329306 BC Ltd., 1329300 BC Ltd., 1329295 BC Ltd., 1329293 BC Ltd. and 1329291 BC Ltd. ceased as of February 18, 2022, the date of the plan of arrangement, due to loss of control.

All inter-company transactions, balances, income, and expenses are eliminated on consolidation up to the date of loss of control.

3.2 Exploration and evaluation expenditures

All acquisition, exploration and evaluation costs are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized to mineral properties or property, plant and equipment ("PPE"). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated reserves as the depletion base. Consideration received under option agreements is recorded as other income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Decommissioning liability ("Asset retirement obligation" or "ARO")

A legal or constructive obligation incurred to pay for restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the Company's exploration and evaluation activities in the past, the resulted amount is probable to be settled by a future outflow of resources and a reliable estimate can be made of the obligation. Discount rates using a pre-tax rate that reflects the risk and the time value of money are used to calculate the net present value. These costs are charged against profit or loss as exploration and evaluation expenditures and the related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing for the underlying cash flows needed to settle the obligation.

The Company has no decommissioning liability as at December 31, 2022 and 2021.

3.4 Share-based payments

Share-based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

Share based payment transactions involving non-employees are measured at the estimated fair value of the goods or services received. In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment.

Equity-settled transactions
The costs of equity-settled transactions with employees are measured by reference to the estimated fair value of the equity instruments at the date on which they are granted

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided, that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

3.5 Taxation

Income tax expense represents the sum of tax currently payable and deferred income tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Taxation (continued)

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. Diluted loss per share assumes that the proceeds upon the exercise of the options and warrants are used to purchase common shares at the average market price during the year. During the years ended December 31, 2022 and 2021, all of the outstanding stock options and warrants were anti-dilutive.

3.7 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost.

Financial assets classified as FVTPL are measured at fair value with realized and unrealized gains and losses recognized through net loss. The Company's cash equivalents are classified as FVTPL.

Financial assets classified as amortized cost are initially measured at fair value. Subsequently they are measured at amortized cost. The Company's cash, and receivables are classified at amortized cost.

Financial assets classified as FVOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income except for losses in value that are considered other than temporary, in which case the losses are recognized in the statement of loss. As at December 31, 2022 and 2021, the Company had no assets classified as FVOCI.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

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

3.8 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or amortized cost.

Financial liabilities classified as amortized cost are initially recognized at fair value less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period. The Company's trade and other payables are measured at amortized cost.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At December 31, 2022 and 2021, the Company has no financial liabilities classified as FVTPL.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Impairment of financial assets

The Company assesses at each statement of financial position date whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in the statement of loss and comprehensive loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of loss and comprehensive loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in the statement of loss and comprehensive loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

FVOCI

If an FVOCI asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in net income or loss, is transferred from equity to the statement of loss and comprehensive loss.

3.10 Cash and cash equivalents

Cash and cash equivalents in in the statement of financial position comprise cash on hand, held at banks, and cash held in trust with the Company's lawyer. The Company's cash is held with major financial institutions in business accounts.

3.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense. As at December 31, 2022 and 2021, the Company has no obligations that require provisions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, which includes key management and family of key management. Parties are also considered to be related if they are subject to common control or common significant influence, and related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

3.13 Foreign currency transactions

Functional and presentation currency

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of loss.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Canadian dollars which is the group’s presentation currency.

4. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserve accounts, and accumulated deficit which at December 31, 2022 totaled $(332,826) (December 31, 2021 - $(126,852)).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating and capital expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2022. The Company is not subject to any capital requirements.

5. FINANCIAL INSTRUMENTS

Fair value hierarchy and fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

As at December 31, 2022 and 2021 the Company did not have any financial instruments measured at fair value and that classification within the fair value hierarchy. As at December 31, 2022 and 2021, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

a. **Cash and cash equivalents**– Cash and cash equivalents are held in trust with the lawyer. The risk of loss is minimal.

b. **Receivables** – The Company is not exposed to significant credit risk from its receivables from taxes recoverable.

The Company's maximum exposure to credit risk as at December 31, 2022 and December 31, 2021 is the carrying value of cash and cash equivalents and receivables.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At December 31, 2022 the Company had a working capital deficiency of $332,826 (December 31, 2021 – $126,852). Working capital deficiency as at December 31, 2022 consisted of: cash of $44,326 (December 31, 2021 - $69,794), receivables of $848 (December 31, 2021 - $17,388), and trade and other payables of $378,000 (December 31, 2021 - $214,034). The Company had not yet achieved profitable operations, has accumulated losses of $4,366,575 (December 31, 2021 – $4,160,601) and expects to incur further losses in the development of its business.

5. FINANCIAL INSTRUMENTS (continued)

iii) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

iv) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars and US dollars. Management believes that foreign currency risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

A 1% strengthening (weakening) of the Canadian dollar against the US dollar would decrease (increase) net loss by approximately $nil (2021 - $nil).

6. CASH AND CASH EQUIVALENTS

The cash and cash equivalents balance at December 31, 2022, consists of $44,326 on deposit in trust with Company lawyer (December 31, 2021 - $69,794). As at December 31, 2022 and December 31, 2021, the Company has no cash equivalents.

7. RECEIVABLES

	As at,			
	December 31, 2022		December 31, 2021	
Taxes recoverable (i)	**$**	**848**	$	17,388
Loans receivable from former subsidiaries		**31,911**		-
Allowance on loans receivable		**(31,911)**		-
Total Receivables	**$**	**848**	$	17,388

(i) The taxes recoverable amount as at December 31, 2022 was not past due.

At December 31, 2022, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at December 31, 2022.

8. RELATED PARTY DISCLOSURES AND KEY MANAGEMENT COMPENSATION

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

	December 31, 2022		December 31, 2021	
Employee benefits and consulting fees	**$**	**120,000**	$	83,000
Total compensation to key management	**$**	**120,000**	$	83,000

(Expressed in Canadian dollars)

8. RELATED PARTY DISCLOSURES AND KEY MANAGEMENT COMPENSATION (continued)

At December 31, 2022, included in trade and other payables is $185,000 (December 31, 2021 - $79,720) due to these key management personnel. These balances are unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2022 the Company incurred $19,113 (2021 - $29,811) in legal fees with a law firm where a director is a partner. Included in accounts payable and accrued liabilities of $57,540 is due to this law firm.

9. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities.

The following is an aged analysis of the trade and other payables:

	As at,	
	December 31, 2022	December 31, 2021
Less than one month	**$ 35,540**	$ 41,039
Over one month	**342,460**	172,995
Total Trade and Other Payables	**$ 378,000**	$ 214,034

10. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

	No. of Shares	Amount
Balance at January 1, 2021	**2,318,602**	**$ 1,309,899**
Private placement	**6,000,000**	**120,000**
Debt settlement	**14,272,148**	**285,443**
Balance at December 31, 2022 and 2021	**22,590,750**	**1,715,342**

On March 29, 2021, the Company implemented a share consolidation where shareholders received 1 post consolidation share for every 10 pre-consolidation common shares held. The numbers of shares, options and warrants have been adjusted to reflect the consolidation for all periods presented.

<u>Activity during the year ended December 31, 2021:</u>
On October 8, 2021, the Company settled an aggregate of $285,443 of indebtedness owed to non-arm's length creditor through the issuance of 14,272,148 common shares of the Company at a price of $0.02 per common share.

In addition, Veta completed a private placement through the issuance of 6,000,000 common shares at a price of $0.02 for aggregate gross proceeds of $120,000.

(Expressed in Canadian dollars)

11. RESERVE FOR WARRANTS

The following table reflects the continuity of warrants for the years ended December 31, 2022 and 2021:

	Number of Warrants	Amount
Balance – December 31, 2022 and 2021	**98,057**	$ 900,000

Warrants to purchase common shares carry exercise prices and terms to maturity at December 31, 2022 as follows:

Exercise price $	Number of outstanding warrants	Expiry Date
28.0	85,215	3 years post liquidity event***
20.0*	8,561	3 years post liquidity event***
28.0**	4.280	3 years post liquidity event***
Total	98,057	

* These are broker warrants which are issuable for one common share and ½ purchase share warrant
** To be issued upon exercise of broker warrants
*** Exercisable for three years from the date the shares are listed on a recognized Canadian stock exchange.

12. SHARE BASED PAYMENTS

Share based payments
The Company has an incentive stock option plan ("the Plan") whereby the Company can grant to directors, officers, employees and consultants options to purchase shares of the Company. The Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The Plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding capital stock increases.

The Plan provides that it is solely within the discretion of the Board to determine who will receive stock options and in what amounts. In no case, calculated at the time of grant, shall the Plan result in:

- The aggregate number of options granted in a 12-month period to any one individual exceeding 5% of the outstanding shares of the Company;
- The maximum number of options which may be reserved for issuance to insiders of the Company shall not exceed 10% of the outstanding shares of the Company;
- The maximum number of options which may be issued to any insider of the Company, together with any previously established or proposed share based payment arrangements, within a 12-month period shall not exceed 5% of the outstanding shares of the Company.

- The maximum number of options, which may be issued to insiders of the Company, together with any previously established or proposed share based payment arrangements within a 12-month period shall not exceed 10% of the outstanding shares of the Company.

As at December 31, 2022, the Company had 2,104,075 (December 31, 2021 – 2,104,075) options remaining for issuance under the plan.

(Expressed in Canadian dollars)

12. SHARE BASED PAYMENTS (continued)

Summary of stock option activity is as follows:

	Number of stock options (outstanding and exercisable)	Weighted average exercise price
Ending, December 31, 2022 and 2021	**155,000**	**$ 1.50**

The weighted average remaining contractual life for outstanding options is as follows:

Price	**Expiry date**	**Number of Options (outstanding and exercisable)**	**Weighted Average Remaining Life (years)**	**Weighted Average Exercise Price**
$1.50	October 11, 2023	155,000	0.78	$ 1.50

13. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company's reserve for share based payments for the years ended December 31, 2022 and 2021 is set out below:

	December 31, 2022	December 31, 2021
	Amount ($)	Amount ($)
Balance at beginning of year	**1,418,407**	1,418,407
Share based payments	**-**	-
Balance at the end of year	**1,418,407**	1,418,407

14. DISCONTINUED OPERATIONS

The Company had an interest in several properties located in Chile. On April 15, 2020 the Company determined that due to unprecedented circumstances relating to the access of capital as a result of the COVID-19 pandemic it dropped its interest in the JOY Properties held through Veta Chile and wrote down its net investment in the subsidiary to $nil.

On February 17, 2021, the company sold its 100% interest in the subsidiary Veta Chile for proceeds of $12,156 (USD $10,000), resulting in a gain on disposal of $12,156.

As described in Note 1, on February 18, 2022, the Company completed its plan of arrangement involving distribution of 22,950,750 common shares that it owned in each of 291 BC, 293 BC, 295 BC, 300 BC, 306 BC, 307 BC, 308 BC and 310 BC to current shareholders of the Company on the basis of 1 common share of each former subsidiary for each outstanding common share of the Company.

This plan of arrangement resulted in the loss of control of each of the above noted subsidiaries by the Company. As such, any balances previously owed by the former subsidiaries to the Company as of the date of the plan of arrangement, which were previously eliminated upon consolidation, were recognized in the consolidated financial statements, with the offsetting credit to deficit of $26,596.

(Expressed in Canadian dollars)

14. DISCONTINUED OPERATIONS (continued)

The expenses of the former subsidiaries from January 1, 2022 to the date of the plan of arrangement of February 18, 2022, consisting of $20,060 of professional fees, have been recognized in the consolidated financial statements for the year ended December 31, 2022 as part of discontinued operations.

15. INCOME TAXES

Income Tax Provision

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the years ended December 31, 2022 and 2021 is as follows:

	2022	2021
Combined statutory income tax rate	**26.50%**	26.50%
Income tax recovery at statutory rates	**$ (62,000)**	$ (42,000)
Non-deductible expenses and other	**5,000**	-
Tax benefits of losses and temporary differences not recognized	**57,000**	42,000
Income tax provision	**$ -**	$ -

The Canadian statutory income tax rate of 26.5% (2021 – 26.5%) is comprised of the federal income tax rate at approximately 15% (2021 – 15%) and the provincial income tax rate of approximately 11.5% (2021 – 11.5%).

Deferred Income Tax

The primary differences which give rise to the deferred income tax assets and liabilities using the deferred tax rate of 26.50% (2019 – 26.50%) at December 31, 2022 and 2021 are as follows:

	2022	2021
Deferred tax assets	**$**	$
Share issuance costs	**-**	15,000
Capital cost allowance pool	**16,000**	-
Non-deductible reserve	**32,000**	-
Exploration expenditures	**3,415,000**	2,398,000
Deductible capital losses caried forward	**726,000**	732,000
Non-capital losses carried forward	**9,919,000**	9,738,000
	14,108,000	12,883,000
Less: deferred tax asset not recognized	**(14,108,000)**	(12,883,000)
Net deferred tax assets	**-**	-
Deferred tax liabilities	**-**	-
Net deferred tax liabilities	**-**	-

(Expressed in Canadian dollars)

15. INCOME TAXES (continued)

The Company has available for carry forward non-capital losses in Canada of $9,919,000 (2021 - $9,738,000) to offset future taxable income. As at December 31, 2022, the non-capital loss carry forwards expire as follows:

2027	$ 11,000
2028	2,108,000
2029	1,127,000
2030	1,647,000
2031	1,053,000
2032	641,000
2033	834,000
2034	175,000
2035	119,000
2036	264,000
2038	1,105,000
2039	339,000
2040	125,000
2041	175,000
2042	196,000
Total non-capital losses available for	$ 9,919,000