CAT Strategic Metals Corporation

Financial Statements

December 31, 2023 and 2022

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **CAT Strategic Metals Corporation**

Opinion

We have audited the consolidated financial statements of CAT Strategic Metals Corporation (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and notes to the 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 positions of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the the years then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significate doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

As discussed in Note 17 to the consolidated financial statements, the December 31, 2022 consolidated financial statements have been restated to correct certain misstatements.

Mao & Ying LLP

Vancouver, Canada
April 29, 2024

Chartered Professional Accountants

CAT STRATEGIC METALS CORPORATION

Statements of Consolidated Financial Position

(Expressed in Canadian Dollars)

	Note	December 31, 2023	December 31, 2022 (Restated - Note 17)
		$	$
Assets			
Current assets			
Cash		782	387,234
Prepayments		35,505	93,229
Amounts receivable		16,357	47,118
		52,644	527,581
Non-current assets			
Equipment	8	12,427	15,942
Total assets		65,071	543,523
Liabilities and Shareholders' Deficiency			
Current liabilities			
Accounts payable and accrued liabilities	9	765,698	463,098
Demand Loans	14	65,793	334,710
Deposits received		32,215	32,215
Due to related parties	8	286,975	56,520
		1,150,681	886,543
Long-term liabilties			
Convertible debenture	13	–	79,447
Shareholders' deficiency			
Share capital	11	12,096,614	11,683,535
Share-based reserve	11	2,646,633	2,133,082
Loan reserve		61,994	61,994
Foreign currency reserve		21,042	15,871
Convertible debenture conversion feature reserve	13	–	14,848
Deficit		(15,911,893)	(14,331,797)
		(1,085,610)	(422,467)
Total shareholders' deficiency and liabilities		65,071	543,523

Nature of operations and going concern (Note 1)

Approved and authorized for issuance by the board of directors on April 29, 2024

"Robert Rosner" *"Luis Martins"*

Robert Rosner, Director Luis Martins, Director

The accompanying notes are an integral part of these Consolidated Financial Statements

CAT STRATEGIC METALS CORPORATION

Consolidated Statements of Operations and Comprehensive loss

(Expressed in Canadian Dollars)

	Note	Years ended December 31, 2023	2022
			Restated (Note 17)
Expenses		$	$
Advertising and promotion		18,069	44,466
Amortization	8	60	299
Consulting		344,675	272,278
Exploration and evaluation	6	240,794	1,245,495
Foreign exchange (gain)/loss		(368)	5,553
Insurance		17,514	38,312
Management fees	10	283,437	306,716
Listing and filing fees		21,296	31,555
Office and administration		8,771	12,450
Occupancy fees		8,421	26,724
Professional fees		167,192	81,546
Shareholders' communication		1,537	16,064
Share-based compensation	11	284,131	–
Travel		–	1,977
Loss before the following:		(1,395,529)	(2,083,435)
Finance fees		4	–
Accretion and interest expense	13 & 14	(34,049)	(20,005)
Impairment in long-term investment	7	(14,108)	–
Loss on debt settlement		(138,074)	–
(Loss) from continued operations for the year		(1,581,756)	(2,103,440)
Gain (Loss) from discontinued operations for the year	6(d)	1,660	(26,480)
(Loss) for the year		(1,580,096)	(2,129,920)
Other comprehensive income (loss)			
Foreign currency translation		5,171	4,911
(Loss) and other comprehensive income (loss)		(1,574,925)	(2,125,009)
Loss per share, basic and diluted		(0.01)	(0.01)
Weighted average number of common shares outstanding		269,614,167	220,703,761

The accompanying notes are an integral part of these Consolidated Financial Statements

CAT STRATEGIC METALS CORPORATION

Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian Dollars except for number of shares)

	Number of Outstanding Shares	Share Capital	Loan Reserve	Warrant reserve	Share-based reserve	Foreign currency translation Reserve	Convertible debenture conversion feature reserve	Deficit (Restated - Note 17)	Shareholders' (deficiency)
		$	$	$	$	$	$	$	$
Balance, December 31, 2021 (Restated)	195,976,866	10,352,197	61,994	707,644	756,940	10,960	–	(12,201,877)	(312,142)
Private placement at $0.03 per unit	67,166,666	1,357,417	–	657,584	–	–	–	–	2,015,001
Share issuance costs - Private placement at $0.03 per unit	–	(26,079)	–	10,914	–	–	–	–	(15,165)
Issuance of convertible debentures	–	–	–	–	–	–	14,848	–	14,848
Comprehensive loss for the year	–	–	–	–	–	4,911	–	(2,129,920)	(2,125,009)
Balance, December 31, 2022 (Restated)	263,143,532	11,683,535	61,994	1,376,142	756,940	15,871	14,848	(14,331,797)	(422,467)
Issuance of convertible debentures	–	–	–	–	–	–	3,735	–	3,735
Share issued for debt conversion	14,649,879	413,079	–	229,420	–	–	(18,583)	–	623,916
Share-based compensation	–	-	–	–	284,131	–	–	–	284,131
Comprehensive loss for the year	–	–	–	–	–	5,171	–	(1,580,096)	(1,574,925)
Balance, December 31, 2023	277,793,411	12,096,614	61,994	1,605,562	1,041,071	21,042	–	(15,911,893)	(1,085,610)

The accompanying notes are an integral part of these Consolidated Financial Statements

CAT STRATEGIC METALS CORPORATION

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	December 31, 2023	December 31, 2022 (Restated Note 17)
	$	$
Operating activities		
(Loss) for the year	(1,580,096)	(2,129,920)
Items not involving cash:		
Share-based compensation	284,131	–
Amortization	60	299
Amortization included in exploration and evaluation expenditures	3,147	1,896
Impairment of long-term investment	14,108	–
Accretion and interest expense	34,049	20,005
Loss on debt settlement	138,074	–
Unrealized foreign exchange	4,941	15,152
Changes in non-cash operating working capital		
Amounts receivable	57,724	(66,388)
Prepayments	30,761	32,492
Due to related parties	230,455	(180,915)
Accounts payable and accrued liabilities	294,174	120,706
Cash (used for) operating activities	(488,472)	(2,186,673)
Cash (used for) discontinued operation - operating activities	-	(21,959)
Investing activities		
Deposits receipts	–	31,240
Increase in long-term investment	(14,108)	–
Cash (used for) provided by investing activities	(14,108)	31,240
Financing activities		
Net proceeds from units issued for cash	–	1,934,836
Proceeds from demand loans	63,843	518,000
Repayment to demand loans	–	(200,000)
Proceeds from convertible debentures	51,747	–
Proceeds from issuance of convertible debentures	–	91,000
Cash provided by financing activities	115,590	2,343,836
(Decrease) Increase in cash	(386,990)	166,444
Effect of exchange rate fluctuations on cash held	538	(3,954)
Cash, beginning of year	387,234	224,744
Cash, end of the year	782	387,234
Non-cash investing and financing activites		
Share for debt settlement	421,505	65,000

1. NATURE OF OPERATIONS AND GOING CONCERN

CAT Strategic Metals Corporation (the "Company") was incorporated under the Business Corporations Act (British Columbia) on November 16, 2010. The common shares of the Company began trading on TSX Venture Exchange ("TSXV") on September 16, 2011 under the symbol "CAT", and on the Frankfurt Exchange on July 29, 2014 under the symbol "8CH". Effective June 14, 2018, the Company's shares were transferred from TSXV to the Canadian Securities Exchange ("CSE") under the symbol "CAT". The decision to move the listing of its common shares from the TSXV to the CSE was taken by the Company as it deems that the CSE may be a more suitable stock exchange with respect to its development and its future expansion. Effective May 6, 2019, the Company's shares were halted for trading due to corporate reorganization. The trading of the Company's shares was subsequently resumed on May 6, 2020. The Company's principal activity is the acquisition and exploration of mineral properties.

On February 14, 2019, the Company changed its name to CAT Strategic Metals Corporation from Chimata Gold Corp.

The registered records office and place of business of the Company is 1010 – 789 West Pender Street, Vancouver, BC V6C 1H2.

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful identification of an exploration and evaluation asset, its ability to raise equity capital, to obtain loans from related parties, and to attain profitable operations to generate funds and meet current and future obligations. As at December 31, 2023, the Company had not advanced any exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from related parties and/or private placement of common shares.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 29, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of measurement

The financial statements have been prepared on an accrual basis and are based on historical costs, except for financial instruments which are measured at fair value. The financial statements are presented in Canadian dollars.

b) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries (collectively, the "Company"). Intercompany balances and transactions are eliminated in preparing the consolidated financial statements. The following companies have been consolidated within these consolidated financial statements:

Entity	Country of Incorporation	Voting Control	Functional Currency
CAT Strategic Metals Corporation	Canada	Parent Company	Canadian Dollar
1242006 B.C. Ltd.	Canada	100%	Canadian Dollar
CAT Strategic (Nevada) Inc.	USA	100%	US Dollar

c) Foreign Currency

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company. Each subsidiary determines its own functional currency (Note 3(b)) and items included in the financial statements of each subsidiary are measured using that functional currency.

i) **Transactions and Balances in Foreign Currencies**

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rate at the date when fair value was determined.

ii) Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rate prevailing at the reporting date and their revenues and expenses are translated at average exchange rates for the period. The exchange differences arising on the translation are recognized in other comprehensive income and accumulated in the foreign currency reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings and recognized as part of the gain or loss on disposal.

d) Exploration and Evaluation Assets and Expenditures

Effective January 1, 2020, expenditures related to the acquisition, exploration, and development of exploration and evaluation assets are expensed and charged to earnings in the period in which they are incurred. Any option payments received by the Company from third parties or tax credits refunded to the Company are charged against exploration expenses in the statement of operations.

The charge of mineral property acquisition costs in the period incurred better reflects the high degree of uncertainty of the fair value of early-stage mineral property interests and the new policy is more in line with industry practice in the junior mineral exploration sector.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and, as such, titles may be affected.

e) Long Term Investment and Investment in Associate

If the Company has significant influence over an investee as defined under IAS 28 – Investments in Associates and Joint Ventures, the investment is initially recognized at cost and is adjusted periodically to reflect the Company's portion of the investees' comprehensive profit or loss through the Company's statement of operations and comprehensive income (loss). The Company's share of profit or loss of an associate is shown on the face of the statement of operations and comprehensive income (loss).

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognizes the loss in the statement of operations and comprehensive income (loss).

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and process from disposal is recognized in profit or loss.

f) Equipment

All items of equipment are stated at historical cost, less any accumulated depreciation and any accumulated impairment losses. Historical cost includes all costs directly attributable to the acquisition. Amortization of other items of equipment is calculated on components that have homogeneous useful lives by using the declining balance method so as to amortize the initial cost as follows:

Vehicles	20%
Computer software	40%

Useful lives, residual values and amortization methods are reviewed at each year-end. Such a review takes into consideration the nature of the assets, their intended use and technological changes.

Half-year rule is applied as only 50% of the initial the cost is subject to amortize during the year of addition.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in "Other items" in profit or loss.

g) Share Capital

The Company records proceeds from share issuances, net of commissions and issuance costs.

h) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

i) Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option-pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

j) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected not to apply the requirements to recognize right-of-use assets and lease liabilities at initial recognition date in accordance with IFRS 16 for short-term leases and leases for which the underlying asset is of low value. Instead, the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right- of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

k) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

l) Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) <u>Classification</u>

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by- instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets	Classification under IFRS 9
Cash	Amortized cost

Financial liabilities	Classification under IFRS 9
Accounts payable and accrued liabilities	Amortized cost
Convertible debenture	Amortized cost
Demand loan	Amortized cost
Due to related parties	Amortized cost

(ii) Measurement

Transaction costs
Transaction costs associated with financial instruments classified as FVTPL, are expensed as incurred, while transaction costs associated with all classifications of financial instruments are included in the initial carrying value of the asset or liability.

Initial recognition
Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as current liabilities if payment is due within 12 months, otherwise they are presented as non-current liabilities.

Subsequent measurement
Instruments classified as amortized cost are measured using the effective interest rate method. Instruments classified as FVTPL and FVOCI are measured at fair value with any changes in their fair values recognized in the period in which they arise, in the consolidated statement of operations or other comprehensive income (loss) respectively.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized only when its obligations are discharged, cancelled, or expired. The difference between the carrying amount of the financial instrument at the time of derecognition and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of operations.

Expected Credit Loss Impairment
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

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

m) Site Rehabilitation Obligations

Site rehabilitation obligations are recognized when a legal or constructive obligation arises. The liability is recognized at the present value of management's best estimate of the site rehabilitation obligation. The estimate is discounted to the present value using a discount rate specific to the obligation. When the liability is initially recorded, the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. The liability is accreted to its present value at each reporting period, and the capitalized cost is amortized on the same basis as the related asset. Upon settlement of the liability, the Company may incur a gain or loss.

At present, the Company has determined that given the early stage of exploration on its mineral properties, it has no reclamation costs and therefore no provision for site rehabilitation has been made.

4. New accounting standards and pronouncements

<u>Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies</u>

In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2. The amendments to IAS 1 require an entity to disclose its material accounting policies instead of its significant accounting policies. The amendments include clarification on how an entity can determine material accounting policies by applying the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. The Company adopted the amendments effective January 1, 2023, with no material impact to the consolidated financial statements for 2023.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets and share-based compensation.

Deferred Tax Assets

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Share-based Compensation

The fair value of share-based compensation is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and

6. EXPLORATION AND EVALUATION EXPENDITURES

	Burntland New Brunswick, Canada	South Preston Saskatchewan, Canada	BAM BC, Canada	Rimrock Nevada, USA	Gold Jackpot Nevada, USA	Total
	$	$	$	$	$	$
Balance, December 31, 2021	**1,851,550**	**2,069,747**	**20,039**	**1,006,900**	**515,572**	**5,463,808**
Acquisition Costs - Cash payment	187,500	-	-	-	-	187,500
Exploration Costs	410,877	618,794	-	-	28,324	1,057,995
Exploration Costs (Discontinued operation)	-	-	-	21,959	-	21,959
Balance, December 31, 2022	**2,449,927**	**2,688,541**	**20,039**	**1,028,859**	**543,896**	**6,731,262**
Balance, December 31, 2022	**2,449,927**	**2,688,541**	**20,039**	**1,028,859**	**543,896**	**6,731,262**
Exploration Costs	3,680	103,724	-	-	133,390	240,794
Exploration Costs (Discontinued operation)	-	-	-	1,660	-	1,660
Balance, December 31, 2023	**2,453,607**	**2,792,265**	**20,039**	**1,030,519**	**677,286**	**6,973,716**

a) South Preston, Saskatchewan, Canada

On February 15, 2021, the Company entered into a binding letter agreement with Grand Mines Ltd ("Grand Mines") which owns a 100% undivided interest in the South Preston Uranium Property located in Saskatchewan, Canada (the "Grand Mines Agreement"). On March 15, 2021, the Company entered into a definitive agreement with Grand Mines Ltd ("Grand Mines"), and acquired 100% of the issued and outstanding shares of Grand Mines by way of three-cornered amalgamation (the "Grand Mines Agreement"), in consideration of the issuance of 27,500,000 common shares ("Shares") of the Company issued at a deemed value of $0.07 per Share and the payment of $50,000 (paid). The Company has also assumed responsibility for a pre- existing 2% royalty on the South Preston Uranium Project.

On February 16, 2021, the Company purchased additional claims related to the South Preston Uranium Property by making a cash payment of $25,000.

b) Gold Jackpot, Nevada, USA

On January 21, 2021, the Company entered into an exploration and option agreement (the "Agreement") for the Gold Jackpot Property ("Property"). The unpatented lode claims of the Property are located in Elko, Nevada.

The Agreement grants the Company the sole and exclusive right to acquire an undivided one hundred percent interest in the Gold Jackpot Property in exchange for a cash payment of US$15,000 (paid) and the issuance of 2,000,000 common shares of the Company ("CAT Shares") (issued) at closing of the Agreement. In addition, the Company is required to incur $500,000 in exploration or expenditures related to the Property over a 4-year period, with no requirement for annual minimum expenditures, and annual payments of

US$10,000 commencing on the first anniversary date until such time the option is exercised. The Company will grant the Vendor a 2% Net Smelter Royalty ("**NSR**") on the property, subject to an agreement that each 1% of the NSR on select claims could be repurchased by the Company for an amount of US$1,000,000.

c) Burntland, New Brunswick, Canada

On September 10, 2020, the Company entered into an option agreement (the "Agreement") pursuant to an arm's length negotiation with the vendors (the "Vendors"). The Agreement gives the Company the exclusive right to acquire up to a 100% undivided ownership in the Burntland mineral property (the "Property") over a 4-year period from September 21, 2020 (the "Closing Date"). The Property is comprised of approximately 1,200 hectares located approximately 60 Km Northeast of Saint Quentin in the county of Restigouche, New Brunswick, Canada.

Pursuant to the Agreement, the Company issued 25,000,000 common shares valued at $875,000 (based on stock closing quote on the date of share issuance) to the Vendors, must incur exploration and development expenditures on the Property necessary to maintain the minerals claims in good standing during the option period of 4 years, and will also make payments totaling $1,000,000 to the Vendors as follows:

- $250,000 due 12 months from the Closing Date (Fully paid);
- $250,000 due 24 months from the Closing Date to acquire an earned-in interest of 51% ($187,500 paid and $62,500 unpaid);
- $250,000 due 36 months from the Closing Date to acquire an additional earned-in interest of 24%,for a total 75% interest in the Property; and
- $250,000 due 48 months from the Closing Date to acquire an additional earned-in interest of 25%,for a total 100% interest in the Property.

The Company has the right to pay up to half of each scheduled payment in common shares of the Company, such calculation based on the Volume Weighted Average Price (VWAP) of the Company's shares over the previous 20 trading day period.

In addition, the Company will also grant to the Property's Vendors a Net Smelter Return Royalty (NSR) equal to 2.0% resulting from the extraction and production of any mineral products on the Property.

On December 20, 2021, the Company issued 7,000,000 shares at a fair value of $0.035/share, totaling $245,000, to the vendors of two additional claims comprised of 520 hectares of land that are adjacent and contiguous to the Burntland Project.

d) Rimrock Gold Property, Nevada, USA

On November 02, 2020, the Company acquired all of the issued and outstanding shares of 1242006 BC Ltd. ("124BC"), a private company incorporated in BC, Canada, an arm's length party, by issuing 25,000,000 common shares of the Company, fair valued at $750,000.

124BC holds a property earn-in and joint venture agreement to acquire up to an 80% undivided interest in the Rimrock Gold mineral property (the "Rimrock Property") from its 2 property owners. The Rimrock property is comprised of 81 unpatented lode mining claims situated in Elko County, Nevada, USA.

Pursuant to the earn-in and joint venture agreement, the Company is required to incur $620,000 in exploration or expenditures related to the Rimrock Property over a 4-year period, of which $210,000 must be spent within the first 12 months, after which the Company will have earned a 51% interest in the Rimrock Property. There are no annual minimum expenditures per year during the remainder of the term regarding the remaining $410,000 of expenditures. The Company will earn a 7.25% interest in the Rimrock Property for every $102,500 spent, until such time as the 80% participating interest in Rimrock is earned. The Company will grant the Vendors a 2% Net Smelter Royalty ("**NSR**") on Rimrock, subject to an agreement that each 1% of the NSR on select claims could be repurchased by the Company for an amount of US$1,000,000.

Furthermore, the Company commits to retain one of the property owners for geological consulting services with a minimum retainer of US$20,000 per year, with the first payment payable on the effective date and thereafter payable in advance on each anniversary of the effective date, until such time as the 80% participating interest in the property is earned. The Company also commits to pay US$10,000 per year to the other property owner, with the first payment payable on the effective date and thereafter payable in advance on each anniversary date of the effective date, until such time as the 80% participating interest in the property is earned. This advance payment shall be deducted from the expenses or funding expenditures on or in relation to the property.

On March 28, 2022, the Company entered into a Share Purchase Agreement (the "Agreement") with EXLA Resources Inc. ("EXLA"), a Colorado corporation, whereby EXLA will purchase all of the shares of 124BC, a wholly owned subsidiary of CAT. The sole asset of 124006 is a Property Earn-In (which was not capitalized on the Company's balance sheet) concerning the Rimrock Gold property located in Nevada, USA. Terms of the Agreement are as follows:

i) EXLA will Pay CAT US$125,000 ($32,215 or US$25,000 deposit was paid by EXLA and it is recorded as deposit received in the Statement of Financial Position);
ii) Issue to CAT One Hundred-Ten Million Shares (110,000,000) in the capital of the company and;
iii) Grant CAT a One Percent (1%) Net Smelter Royalty ("NSR")

During the year ended December 31, 2023, the net loss for 124BC was $1,660 (2022 - $21,959) which was presented as a loss from discontinued operations, consisted of $1,660 exploration costs (2022- $21,959).

7. LONG-TERM INVESTMENT

Long-term investment represents the fair value of the Company's 20.5% shareholdings in Zimbabwe Lithium Company (Mauritius) Limited ("Zimbabwe Lithium", or "ZIM"), a privately held company incorporated under the laws of Mauritius as at March 31, 2019. Zimbabwe Lithium has the right to develop mining properties in Zimbabwe (the "Properties").

On December 27, 2017 the Company entered into a binding letter of intent (the "LOI") with Zimbabwe Lithium for a proposed reverse take-over between the Company and Zimbabwe Lithium (the "Transaction"). On October 31, 2018, the Company executed a share exchange agreement (the "Agreement") with the existing shareholders of ZIM. Pursuant to the terms of the LOI and the Agreement, the Transaction is defined into two distinctive phases: First Phase and Second Phase.

First Phase:

- The Company would issue its common shares to the existing shareholders of ZIM in exchange for 19% of the issued and outstanding shares in Zimbabwe Lithium. On October 31, 2018, the Company issued 9,185,040 common shares from its share capital with a fair value of $826,654, representing an aggregate of 19% of the current issued and outstanding share capital of the Company. In return, ZIM issued to the Company 755 ZIM shares, representing an aggregate of 19% of the current issued and outstanding share capital of ZIM.

- The Company committed to advance the amount of US$500,000 to ZIM allowing ZIM to cover historical test work and consultant expenditures that have been incurred bringing the project to its current state as well as expenditures as they are gradually incurred, project expenditures and exploration on the Properties, including potential license and option payments to the Zimbabwe Mining Development Corporation ("ZMDC"), salaries and consultancy fees, drilling and assaying on the Properties along with the completion of a National Instrument 43-101 ("NI 43-101") compliant resource estimate of the Properties (the "Estimate"). As at December 31, 2018, the Company has advanced $721,077 (US$560,000). These cash advances were capitalized as cost of investment.

Second Phase:

- The proceeding to the Second Phase of the Transaction is subjected to the Estimate revealing that the resource contains a minimum of 11,111,000 cubic meters of tailings material at minimum 0.60 percent Lithia (Li_2O with the majority of the mineralization consisting of Spodumene) (the "Threshold Percentage") which is subject to an independent valuation certified by a Qualified Person under NI 43-101.
- Should the Estimate reveal that the Threshold Percentage is reached, ZIM shall be entitled to receive an additional share allocation of 51% of the current issued and outstanding share capital of the Company.

Up until December 31, 2019, the Company, through its shareholding and board representation in ZIM, exercises significant influence over that company, but not control. As a result, the investment in Zimbabwe Lithium is accounted for using the equity method up until December 31, 2019.

By the end of December 2019, ZIM was concerned the presence of CAT on its board would be an unfavorable factor for advancing the lithium project given the Zimbabwe political environment. By mutual consent from ZIM and the Company, the Company would not have any board representation effective January 1st, 2020, regardless of its shareholding. As at January 1, 2020, the Company reclassified its investment in Zimbabwe Lithium from equity investment to long-term investment with fair value through profit and loss.The Company determined the fair value of the investment was $NIL and was fully impaired in fiscal 2020. There have been no significant changes to the events and conditions of ZIM, who continues to operate at a loss position.

As at June 28, 2019, the Company and ZIM terminated the Second Phase and the Definitive Agreement. During the years ended December 31, 2023, management assessed the fair value of the long-term investment to be $nil and recognized an impairment of $14,108 (December 31, 2022 - $Nil).

	December 31, 2023	December 31, 2022
	$	$
Opening balance	-	-
Contributions	14,108	-
Impairment	(14,108)	-
Ending balance	**-**	**-**

8. EQUIPMENT

		Software		Vehicle		Total
Cost						
Balance, December 31, 2021	$	2,230	$	20,531	$	22,761
Additions		–		–		–
Foreign exchange		–		1,402		1,402
Balance, December 31, 2022	**$**	**2,230**	**$**	**21,933**	**$**	**24,163**

		Software		Vehicle		Total
Accumulated Amortization						
Balance, December 31, 2021	$	1,780	$	2,053	$	3,833
Changes		300		1,896		2,196
Foreign exchange		–		2,192		2,192
Balance, December 31, 2022	**$**	**2,080**	**$**	**6,141**	**$**	**8,221**

		Software		Vehicle		Total
Cost						
Balance, December 31, 2022	$	2,230	$	21,933	$	24,163
Additions		–		–		–
Foreign exchange		–		(515)		(515)
Balance, December 31, 2023	**$**	**2,230**	**$**	**21,418**	**$**	**23,648**

		Software		Vehicle		Total
Accumulated Amortization						
Balance, December 31, 2022	$	2,080	$	6,141	$	8,221
Additions		60		3,147		3,207
Foreign exchange		–		(207)		(207)
Balance, December 31, 2023	**$**	**2,140**	**$**	**9,081**	**$**	**11,221**

		Software		Vehicle		Total
Net Carrying Amount						
Balance, December 31, 2022	**$**	**150**	**$**	**15,792**	**$**	**15,942**
Balance, December 31, 2023	**$**	**90**	**$**	**12,337**	**$**	**12,427**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023	**December 31, 2022**
	$	$
Trades payable	683,282	439,098
Accrued liabilities	82,416	24,000
	765,698	463,098

10. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the years ended December 31, 2023 and 2022 was as follows:

	December 31, 2023	December 31, 2022
	$	$
Management and consulting fees	355,437	386,216
Share based compensation	156,600	-
	512,037	386,216

During the year ended December 31, 2023, the Company incurred $283,437 (US$210,000) consulting fees to the Company's Chairman, Director and CEO (2022 - $314,216). The compensation of $283,437 (US$210,000) consulting fees include US$180,000 base fee, and U$30,000 health insurance allowance. During the year ended December 31, 2023, the entity associated with the Company's Chairman, Director and CEO did not subscribe any shares of the Company (2022 - subscribed 3,333,333 units at a price of $0.03 per unit. Each unit consists of one common share of the Company and one whole non-transferable common share purchase warrant. Each warrant entitles the holder to purchase, until May 25, 2025, one additional common share at an exercise price of $0.05 per share). During the year ended December 31, 2023, the Company granted 1,400,000 stock options to the Chairman, Director and CEO with fair value of $40,600 recognized as share based compensation (2022 - $Nil).

During the year ended December 31, 2023, the Company incurred $30,000 fees to an entity controlled by the CFO (2022 - $30,000). During the year ended December 31, 2023, the Company granted 600,000 stock options to the Director and Corporate Secretary with fair value of $17,400 recognized as share based compensation (December 31, 2022 - $Nil).

During the year ended December 31, 2023, the Company incurred $42,000 (2022 - 42,000) consulting fees to the entity associated with the Company's Director, and Corporate Secretary. During the year ended December 31, 2023, the Company granted 1,400,000 stock options to the Director and Corporate Secretary with fair value of $40,600 recognized as share based compensation (2022 - $Nil).

During the year ended December 31, 2023, the Company granted 1,100,000 stock options to a director of the Company with fair value of $31,900 recognized as share based compensation (2022 - $Nil).

During the year ended December 31, 2023, the Company granted 900,000 stock options to a director of the Company with fair value of $26,100 recognized as share based compensation (2022 - $Nil).

As at December 31, 2023, the Company's balances owing to (from) the related parties include:

- $254,350 owed to the Company's Chairman, Director and CEO (2022 - $53,795);
- $Nil (2022 - $4,900 advanced) owed to the entity associated with the Company's Director and Corporate Secretary;
- $27,625 (2022 - $2,625) CFO service fees were accrued for an entity controlled by the Company's CFO;
- $5,000 (2022 - $5,000) consulting fees were accrued for an independent director and;

The above balances are non-interest bearing, unsecured and due on demand.

(a) The Company entered into a consulting agreement with the Company's Chairman, Director and CEO whereby the Company is required to pay a monthly consulting fee of US$12,500 over a term of 36 months commencing from October 21, 2020. The monthly consulting fee will increase to US$15,000 per month on the first anniversary of the agreement and the increased monthly consulting fee of US$15,000 per month will be effective for the remaining 24 months of the term. The Company is also committed to pay the Chairman, Director and CEO a monthly health benefit allowance of US$2,500 and monthly vehicle allowance of US$1,500.

11. SHARE CAPITAL

Authorized share capital:
Unlimited common shares and preferred shares without par value

Fiscal 2023

On July 17, 2023, the Company issued 9,000,000 units including 9,000,000 common shares and 9,000,000 share purchase warrants with an exercise price of $0.06 per warrants and expiry date on January 17, 2025. 4,080,895 of these 9,000,000 units were for settling this demand loan and the remaining 4,919,105 units were for settling the convertible debentures outstanding. The fair value of the 4,080,895 shares is $102,022 or $0.025 per share. The fair value of the 4,080,895 warrants is $82,615 derived from Black Scholes Valuation Model with the input assumptions as follows: Stock Price at $0.025, exercise price at $0.06, expected life of 1.50 years, volatility of 247.19% and discount rate of 4.63%.

On August 1, 2023, the Company issued 5,649,879 units including 5,649,879 common shares and 5,649,879 share purchase warrants with an exercise price of $0.06 per warrants and expiry date on February 1, 2025 for the settlement of the outstanding demand loans plus accrued interest. The fair value of the 5,649,879 shares is $169,496 or $0.03 per share. The fair value of the 5,649,879 warrants is $140,637 derived from Black Scholes Valuation Model with the input assumptions as follows: Stock Price at $0.03, exercise price at $0.06, expected life of 1.50 years, volatility of 249.55 and discount rate of 4.78%.

The Company recognized a loss on settlement of the demand loans due to the difference between the fair value of the demand loans plus accrued interest on the settlement dates. The details are the breakdown of these fair values are as follows:

	Common Shares Issued	Warrants Issued	Total
			$
4,080,895 units issued on July 17, 2023	102,022	82,615	184,637
5,649,879 units issued on August 1, 2023	169,496	140,637	310,133
Total fair value of consideration given up	271,518	223,252	494,770
Demand loan principal settled	–	–	(318,000)
Accrued interest	–	–	(38,697)
Loss on settlement of demand loans			**138,073**

Fiscal 2022

On May 25, 2022, the Company issued 27,816,667 units at a price of $0.03 per unit for gross proceeds of $834,500. Each unit consists of one common share of the Company and one whole non-transferable common share purchase warrant. Each warrant entitles the holder to purchase, until May 25, 2025, one additional common share at an exercise price of $0.05 per share. The Company issued 605,500 finders' warrants with an exercise price of $0.05 per share until May 25, 2026. The Company incurred $15,150 cash share issuance costs. Of the units issued, units with a total value of $65,000 were issued to an investor to settle certain expenses that were previously paid by the investor on behalf of the Company. The Company settled accounts payable due to the investor through issuing the shares with the equivalent value based on the issuing price of the May 25, 2022 private placement. There was no gain and loss recognized for the settlement since the number of shares issued was based on the carrying value of the accounts payable divided by the share issue price (fair value) on May 25, 2022.

On June 15, 2022, the Company issued 14,349,999 units at a price of $0.03 per unit for gross proceeds of $430,500. Each unit consists of one common share of the Company and one whole transferable common share purchase warrant. Each warrant entitles the holder to purchase, until June 15, 2025, one additional common share at an exercise price of $0.05 per share.

On December 29, 2022, the Company issued 25,000,000 units (the "Units") at a price of $0.03 per Unit for gross proceeds of $750,000. Each Unit consists of one common share of the Company and one whole non-transferable common share purchase warrant. Each whole Warrant is exercisable to acquire one Share at an exercise price of $0.05 per Share until December 29, 2025.

Warrants

A continuity of the Company's warrants is as follows:

	Warrants	Weighted average exercise price	Weighted average number years to expiry
		$	
Balance, December 31, 2022	123,036,319	0.08	1.84
Granted	14,649,879	0.06	1.07
Expired	(26,073,874)	0.05	-
Balance, December 31, 2023	111,612,324	0.08	1.70
Balance, December 31, 2021	55,264,153	0.11	2.97
Granted	67,772,166	0.05	2.63
Balance, December 31, 2022	123,036,319	0.08	2.34

As at December 31, 2023, the Company had the following warrants outstanding:

Date Issued	Expiry Date	Exercise Price	Number of Warrants Outstanding
March 1, 2021	February 28, 2026	$ 0.16	21,380,400
March 30, 2021	February 28, 2026	$ 0.16	3,347,223
April 21, 2021	April 21, 2026	$ 0.16	4,169,600
June 23, 2021	February 28, 2026	$ 0.16	293,056
May 25, 2022	May 25, 2026	$ 0.05	28,422,167
June 15, 2022	June 15, 2026	$ 0.05	14,349,999
December 29, 2022	December 29, 2025	$ 0.05	25,000,000
July 17, 2023	January 17, 2025	$ 0.06	9,000,000
August 1, 2023	February 1, 2025	$ 0.06	5,649,879
			111,612,324

Share Options

The Company's incentive stock option plan (the "Option Plan") provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the Company may grant a total of options not exceeding 10% of the issued and outstanding common shares. During the year ended December 31, 2023, the Company granted 7,100,000 stock options to directors, officers and consultants. Each option entitles the holder to purchase one common share of the Company at $0.05 per share. 10,000,000 of the stock options fully vested on the grant date. The expiry date of these options is July 10, 2023. The fair value of these options was determined to be $284,131 using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of 5 years, volatility of 179%, dividend yield of 0%, and risk-free rate of 3.91%.

A continuity of the Company's options is as follows:

	Share Options	Weighted average exercise price	Weighted average number years to expiry
		$	
December 31, 2022	7,570,000	0.08	1.40
Granted	10,000,000	0.05	-
Expired	(470,000)	0.15	-
Cancelled	(550,000)	0.06	-
December 31, 2023	16,550,000	0.05	3.54
December 31, 2021	8,970,000	0.08	3.40
Expired	(1,400,000)	0.15	-
December 31, 2022	7,570,000	0.08	2.40

As at December 31, 2023, the Company had the following options outstanding:

Date Issued	Expiry Date	Exercise Price	Number of Options Outstanding	Number of options Exercisable
January 8, 2021	January 8, 2026	$ 0.06	6,450,000	6,450,000
February 16, 2021	February 15, 2026	$ 0.08	100,000	100,000
July 10, 2023	July 10, 2028	$ 0.05	10,000,000	10,000,000
			16,550,000	16,550,000

12. CAPTIAL MANAGEMENT

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the Board of Directors. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is meeting its objective of managing capital through preparing Long-term and long-term cash flow analysis to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions. There were no changes in the Company's approach to capital management during the year ended December 31, 2023.

13. CONVERTIBLE DEBENTURES

On September 29, 2022, the Company entered into a senior secured loan agreement (the "Convertible Loan Agreement") with Komodo Holding Ulc., a third party arms-length lender. This lender (the `Lender`) advanced $91,000 in total to the Company between September 29, 2022 and December 31, 2022 and advanced $51,747 in total to the Company between February 17, 2023 and June 15, 2023. The key terms of the Convertible Loan Agreement are as follows:

a. The Company shall repay the principal amount of the advances in full eighteen (18) months from the date of the loan advance.

b. The Company shall pay interest at an annual rate of 8% from and including the Date of Advance(s) on the amount of the outstanding. Interest will accrue on a quarterly basis compounded and calculated monthly and the accumulated interest shall be paid as a single balloon payment to be added to the principal repayment at maturity.

c. The Lender has the right, at their sole discretion, to convert the loan advances (Principal and Interest) either partially or totally at any time on or before the Maturity Date into units of the Company at a price of $0.05 per unit. Each unit is comprised of one (1) common share and one common share purchase warrant. Each warrant entitles the Lender to purchase an additional common share at an exercise price of $0.05 per warrant for a period of 36 months following the exercise date of the warrants. The Loan advances can be converted in whole or in part so long as the Lenders convert a minimum of $50,000 for each tranche. The Lender shall not have the right to convert any portion of the Loan if it would yield an ownership percentage above 9.9% of the outstanding common shares of the Company on a fully diluted basis.

d. The Company and the Lender entered into a general security agreement whereby the Company provides for a charge over all of the Company`s assets, subject to customary permitted encumbrances.

For financial reporting purposes, the debentures were separated into liability and equity components. Fair value of the liability component is first determined by discounting the face value and coupon interest to the present value of the inception date of the debentures. The effective interest rates for the liability components is 20% with maturity dates ranging from April 3, 2024 to January 2025. The equity component related to the common shares conversion feature is then estimated by subtracting the fair value of the liability component from the gross proceeds of the debenture.

	Liability	**Equity (Reserve - Conversion Feature)**	**Total**
	$		$
Balance, December 31, 2020 and December 31, 2021	–	–	–
Proceeds	76,152	14,848	91,000
Accretions	3,295	–	3,295
Balance, December 31, 2022	**79,447**	**14,848**	**94,295**
Proceeds	49,269	3,735	53,004
Accretions	10,112	–	10,112
Conversions	(138,828)	(18,583)	(157,411)
Balance, December 31, 2023	-	-	-

14. DEMAND LOANS

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Demand loan advances in US$ by Komodo Holdings Ulc

In August 2023, Komodo Holdings Ulc., an arms-length party (the "Lender") advanced a total of US$48,300 to the Company`s US subsidiary. These advances are due on demand and bear 8% interest per annum. As at December 31, 2023, the Company accrued interest payable of US$1,445 to the Lender.

Settlement of the demand loans from Twilight Capital Inc.

Between January 1, 2022 to September 30, 2023, Twilight Capital Inc., an arms-length party (the "Lender") advanced a total of $313,500 to the Company. On June 28, 2022 and July 18, 2022, the Company and the Lender entered into loan agreements (the "Twilight Demand Loan Agreements") whereby the Company shall pay the Lender without delay on or before the earlier of the day the Company receives funds from its next financing or day that is six (6) months from the date of funds advanced. In December 2022, the Company repaid $200,000. The Company and the Lender agreed to settle the principal balance $113,500 plus accrued interest of $15,115 (8% per annum of the outstanding balance) (December 31, 2022 - $88,000 plus accrued loan interest of $9,834). As at July 31, 2023, the Company owed $113,500 plus accrued loan interest of $15,115 at 8% per annum of the outstanding balance (December 31, 2022 - $88,000 plus accrued loan interest of $9,834). On August 1, 2023, the Company issued 5,649,879 units including 5,649,879 common shares and 5,649,879 share purchase warrants with an exercise price of $0.06/warrants and expiry date on February 1, 2025. 5,649,879 units were for settling this demand loan plus accrued interest.

Settlement of demand loans from Komodo Holdings Ulc

Between January 1, 2022 to June 30, 2023, Komodo Holdings Ulc., an arms-length party (the "Lender") advanced a total of $230,000 for demand loans to the Company. On August 3, 2022, the Company and the Lender entered into a loan agreement (the "Komodo Demand Loan Agreement") whereby the Company shall pay the Lender without delay on or before the earlier of the day the Company receives funds from its next financing or day that is six (6) months from the date of funds advanced. As at July 16, 2023, the Company owed $230,000 plus accrued loan interest of $23,581 at 8% per annum of the outstanding balance (December 31, 2022 - $230,000 plus accrued loan interest of $6,876). On July 17, 2023, the Company issued 9,000,000 units including 9,000,000 common shares and 9,000,000 share purchase warrants with an exercise price of $0.06/warrants and expiry date on January 17, 2025. 4,080,895 of these 9,000,000 units were for settling this demand loan and the remaining 4,919,105 units were for settling the convertible debentures outstanding described in note 11.

Fiscal 2022

During the year ended December 31, 2022, Twilight Capital Inc., an arms-length party (the "Lender") advanced a total of $288,000 to the Company. On June 28, 2022 and July 18, 2022, the Company and the Lender entered into loan agreements (the "Twilight Demand Loan Agreements") whereby the Company shall pay the Lender without delay on or before the earlier of the day the Company receives funds from its next financing or day that is six (6) months from the date of funds advanced. In December 2022, the Company repaid $200,000. As at December 31, 2022, the Company owed $88,000 plus accrued loan interest of $9,834 at 8% per annum of the outstanding balance.

During the year ended December 31, 2022, Komodo Holdings Ulc., an arms-length party (the "Lender") advanced a total of $230,000 to the Company. On August 3, 2022, the Company and the Lender entered into a loan agreement (the "Komodo Demand Loan Agreement") whereby the Company shall pay the Lender without delay on or beforethe earlier of the day the Company receives funds from its next financing or day that is six (6) months from the date of funds advanced. As at December 31, 2022, the Company owed $230,000 plus accrued loan interest of $6,876 at 8% per annum of the outstanding balance.

15. INCOME TAXES

The income tax provisions differ from the expected amounts calculated by applying Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes rounded to the nearest thousands. The components of these differences are as follows:

	December 31, 2023	December 31, 2022 (Restated)
	$	$
Net loss	(1,580,000)	(2,130,000)
Statutory tax rate	27%	27%
Expected income tax recovery	(427,000)	(575,000)
Adjustments to prior year's tax provision	319,000	-
Effect of tax rates in foreign jurisdiction	15,000	19,000
Non-deductible expenditures	118,000	15,000
Change in unrecognized deferred assets	(25,000)	541,000
Actual income tax recovery	-	-

The movement of the Company's deferred income tax assets is as follows:

	December 31, 2023	December 31, 2022
	$	$
Share issuance costs	26,281	36,175
Non-capital losses	1,238,176	1,302,844
Exploration and evaluation expenditures	1,046,792	982,225
Equipment	602	602
Long-term investment adjusted cost base	959,227	959,227
Investment tax credit	4,914	4,914
	3,275,992	3,285,989
Unrecognized deferred tax assets	(3,275,992)	(3,285,989)
Net deferred tax assets	-	-

As at December 31, 2023, the Company has unused non-capital loss carry forwards of approximately $3,768,000 (2022 - $4,257,000) in Canada and $818,000 (2022 - $569,000) in the United States. In addition, the Company has approximately $3,877,000 (2022 - $3,638,000) of resource tax pools available, which may be used to shelter certain resource income in Canada and $18,000 (2022 - $18,000) in the United States.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts.

As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major Canadian bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its Long-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements as well as related party loans. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Currency risk
Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not incur significant expenditures that are denominated in foreign currencies, and does not have any mineral property commitments that are denominated in foreign currencies. Therefore, the Company's exposure to currency risk is considered minimal.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Canadian prime interest rate is fairly stable, the Company's exposure to interest rate risk is not considered to be significant.

Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in market that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The Company classified its long-term investments as fair value through profit and loss during the years ended December 31, 2023 and 2022 based on Level 3 inputs (note 7).

The fair value of the Company's financial assets and liabilities approximates the carrying amount due to the relatively short period to maturity of these financial instruments.

17. RESTATEMENT

The consolidated financial statements as at and for the year ended December 31, 2022 and 2021 have been amended to correct for errors related to the discovery of an unrecorded vendor invoice denominated in US Dollar for geological analytic service for the Rimrock project (the "Unrecorded Payable") in fiscal 2021. The impact of the Unrecorded Payable is corrected and accounted for in the opening deficit and the opening accounts payable of the year ended December 31, 2022 and ending deficit and the ending balance of accounts payable of the year ended December 31, 2021.

Amended and restated consolidated statement of financial position for the year ended December 31, 2022:

	As at December 31, 2022		
	As previously reported	Restatement	**As restated**
	$	$	**$**
Accounts payable and accrued liabilities	392,398	70,700	**463,098**
Deficit	(14,261,097)	(70,700)	**(14,331,797)**
Total shareholders' deficiency	(351,767)	(70,700)	**(422,467)**
Total shareholders' deficiency and liabilities	543,523	-	**543,523**

Amended and restated consolidated statements of comprehensive loss for the year ended December 31, 2022:

	For the year ended December 31, 2022		
	As previously reported	Restatement	**As restated**
	$	$	**$**
Loss from discontinued operations for the year	(21,959)	(4,521)	**(26,480)**
Loss and other comprehensive loss	(2,120,488)	(4,521)	**(2,125,009)**
Total loss per share, basic and diluted	(0.01)	(0.00)	**(0.01)**

Amended and restated consolidated statements of cash flows for the year ended December 31, 2022:

	For the year ended December 31, 2022		
	As previously reported	Restatement	**As restated**
	$	$	**$**
Loss for the year	(2,125,399)	(4,521)	**(2,129,920)**
Unrealized foreign exchange	10,631	4,521	**15,152**
Cash (used for) operating activities	(2,186,673)	-	**(2,186,673)**

Amended and restated consolidated statement of financial position for the year ended December 31, 2021:

	As at December 31, 2021		
	As previously reported	Restatement	**As restated**
	$	$	**$**
Accounts payable and accrued liabilities	356,151	66,179	**422,330**
Deficit	(12,135,698)	(66,179)	**(12,201,877)**
Total shareholders' deficiency	(245,963)	(66,179)	**(312,142)**
Total shareholders' deficiency and liabilities	347,623	-	**347,623**

Amended and restated consolidated statements of comprehensive loss for the year ended December 31, 2021:

	For the year ended December 31, 2021		
	As previously reported	Restatement	**As restated**
	$	$	**$**
Exploration and evaluation	3,764,140	65,433	**3,829,573**
Unrealized foreign exchange loss	8,871	746	**9,617**
Loss and other comprehensive loss	(5,024,010)	(66,179)	**(5,090,189)**
Total loss per share, basic and diluted	(0.03)	(0.00)	**(0.03)**

Amended and restated consolidated statements of cash flows for the year ended December 31, 2021:

	For the year ended December 31, 2021		
	As previously reported	Restatement	**As restated**
	$	$	**$**
Loss for the year	(5,031,835)	(66,179)	**(5,098,014)**
Unrealized foreign exchange	(437)	746	**15,152**
Accounts payable and accrued liabilities	3,966	65,433	**69,399**
Cash (used for) operating activities	(2,385,990)	-	**(2,385,990)**

18. CONTINGENT PROVISION

By letter dated August 17, 2023, a Cease-and-Desist Demand was sent to the Company by the attorney for M3 Metals Corp. (“M3”) regarding an alleged over-staking by the Company of certain of M3’s mining claims in Elko County, Nevada.

On September 14, 2023, the legal counsel of the Company responded to the Cease-and-Desist Demand on behalf of the Company by setting forth the basis why M3’s Cease and Desist Demand was erroneous and the legal reasons why the mining claims located by M3 (or its subsidiary company, ML Nevada Corp.) were not properly and lawfully located. M3’s failure to comply with Nevada and Federal law concerning the proper staking of mining claims resulted in the Company’s legal counsel’s legal determination that M3’s claims were void and the ground on which M3’s claims were purportedly located remained open to location by the Company and, therefore, the only valid claims located on this ground belong to the Company. This office has had no further communication from counsel for M3 regarding this claim conflict and the Company has not provided any new information to its legal counsel concerning this matter. It is premature at this time to ascertain any potential damages which may be claimed by M3 or any other outstanding liability to the Company, particular where the Company appears to have the superior legal position concerning this claim conflict. The Company management as a result has not provided for any contingent legal liability related to this matter.