Form 51-102F4

Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

Forge Resources Corp.
1050 – 12471 Horseshoe Way
Richmond BC
V7A 4X6

1.2 Executive Officer

Cole McClay – CEO; Director
Lorne Warner - President

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On December 24, 2023 the Company entered into a subscription agreement with Aion Mining Corp. ("**Aion**") to acquire 2,984,930 common shares of Aion representing a 20% shareholder interest in Aion for a consideration of $500,000 in cash and the issuance of 1,602,565 common shares of the Company to Aion. On April 16, 2024 the Company entered into a subscription agreement with Aion to acquire 4,974,883 common shares of Aion representing a further 20% shareholder interest in Aion bringing the Company's total ownership of Aion to 40%, for a consideration of $1,000,000 in cash and the issuance of 1,508,621 common of the Company to Aion.

Aion is a company that is developing the fully permitted La Estrella coal project in Santander, Colombia. The project contains eight known seams of metallurgical and thermal coal.

2.2 Acquisition Date

1st tranche (20%) - December 14, 2023
2nd tranche (20%) - April 16, 2024

2.3 Consideration

Forge Resources Corp. has acquired 40% of Aion Mining Corp for a total consideration of:

$1,500,000 in cash ($500,000 1st tranche and $1,000,000 2nd tranche) and;
1,602,565 common shares of the Company at a deemed price of $0.39 per share (1st tranche) and;
1,508,621 common shares of the Company at a deemed price of $0.58 per share (2nd tranche).

2.4 Effect on Financial Position

No effect on the financial position of the company. Fundraising was conducted concurrently to the acquisition process to provide the required funds to complete the proposed transactions announced in the disclosed LOIs.

2.5 Prior Valuations

An independent valuation of Aion Mining Corp. was completed by Evans & Evans, Inc. on August 16, 2024. The report states the fair market value of 100% of the shares of Aion Mining Corp. as at the date of the valuation (June 30, 2024) is in the range of $13,680,000 to $14,590,000 CAD using a weighting of a market approach and an income approach. The details of that report may not be disclosed to third parties without the written permission of Evans & Evans, Inc.

2.6 Parties to Transaction

Aion is a non-arm's length party to the Company by reason of sharing a common director, Cole McClay. The terms of the formal agreements were reviewed and approved by a committee of the Company's independent directors. This information was publicly disclosed

2.7 Date of Report

August 16, 2024

Item 3 Financial Statements and Other Information

Forge Resources Corp engaged independent auditors WDM Chartered Professional Accountants to perform an audit of Aion Mining Corp. in preparation for subsequent Business Acquisition Report requirements. Consent has been provided to disclose the audit information.

The following financial statements as required by Part 8 of National Instrument 51-102 are included in this Report:

Exhibit A:

Audited Financial Statements of Forge Resources Corp. for the years ended August 31, 2023 and August 31, 2022, together with the notes thereto and the report of the auditors thereon. In addition, the Management Discussion and Analysis for the years ended August 31, 2023 and August 31, 2022. The auditors of the above financial statements were not consulting in the preparation of this Report as we have made reference to the above financial statements previously filed on SEDAR in Exhibit A.

The Unaudited Interim Financial Statements of Forge Resources Corp. for the interim period ended May 31, 2024 and the Management Discussion and Analysis for the interim period ended May 31, 2024.

Exhibit B:

The Audited Financial Statements of Aion Mining Corp. for the year ended December 31, 2023 and the period from incorporation on August 23, 2022 to December 31, 2022, together with the notes thereto and the report of the auditors thereon.

The Unaudited Interim Financial Statements of Aion Mining Corp. for the period ended June 30, 2024.

Form 51-102F4

Business Acquisition Report

EXHIBIT A

[Audited Financial Statements of Forge Resources Corp. for the years ended August 31, 2023 and August 31, 2022, and the Management, Discussion and Analysis for the years ended August 31, 2023 and August 31, 2022]

[Unaudited Interim Financial Statements of Forge Resources Corp. for the period ended May 31, 2024, and the Management, Discussion and Analysis for the period ended May 31, 2024]

Please refer to documents filed on SEDAR+ at www.sedarplus.ca

EXHIBIT B

[Audited Financial Statements for Aion Mining Corp. for the year ended December 31, 2023 and for the period from incorporation on August 22, 2023 to December 31, 2022]

AION MINING CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023 and
the period from incorporation on August 23, 2022 to December 31, 2022

(Expressed in Canadian Dollars)

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

SERVICE

INTEGRITY

TRUST

To the Shareholders of:
AION MINING CORP

Opinion

We have audited the accompanying consolidated financial statements of Aion Mining Corp, which comprise the consolidated statements of financial position as at December 31, 2023, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the statement of financial position of the Company as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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 the 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

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements, which describe certain conditions that indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

We draw attention to the fact that the consolidated financial statements as at December 31, 2022 and for the period from August 23, 2022 to December 31, 2022 were not audited. These financial statements were prepared by management and were not subject to an audit, review or any other services by our firm. Our opinion on the consolidated financial statements of the current period is not affected by this matter.

Key Audit Matters

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

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

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WDM

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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 Mike Kao.

WDM

Chartered Professional Accountants

Vancouver, B.C.
June 19, 2024

AION MINING CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Note	2023	(Unaudited) 2022
		$	$
ASSETS			
Current Assets			
Cash		465,922	109,997
Input tax receivable		913	404
Marketable securities	4	881,411	-
		1,348,246	110,401
Non-current Assets			
Exploration advances	5	572,372	63,295
Equipment	6	1,048	-
Exploration and evaluation assets	7	927,425	169,764
TOTAL ASSETS		2,849,091	343,460
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	8	51,163	1,582
Convertible debentures	9	553,376	142,687
Due to related parties	11	431,199	83,385
		1,035,738	227,654
SHAREHOLDERS' EQUITY			
Share capital	10	1,914,379	204,145
Equity component of convertible debenture	9	76,656	29,957
Accumulated other comprehensive income (loss)		362,951	(6,201)
Accumulated deficit		(540,633)	(112,095)
		1,813,353	115,806
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,849,091	343,460

Nature of operations and going concern (Note 1)
Subsequent events (Note 16)

Approved on behalf of the Board of Directors on June 19, 2024

Director   Peter Laipnieks Director
Peter Laipnieks (26 jun.. 2024 13:31 PDT)

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

AION MINING CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the year ended December 31, 2023 and
the period from incorporation on August 23, 2022 to December 31, 2022
(Expressed in Canadian Dollars)

	Note	2023	(Unaudited) 2022
		$	$
EXPENSES			
Accretion	9	24,398	2,644
Depreciation	6	148	-
Foreign exchange loss		12,231	635
General and administrative		1,756	466
Interest expense	11	19,286	3,523
Management fees	11	323,714	80,116
Professional fees		44,059	24,711
Travel		2,946	-
NET LOSS		(428,538)	(112,095)
Other comprehensive income (loss)			
Exchange differences on translating foreign operations		112,741	(6,201)
Unrealized gain on marketable securities		256,411	-
		369,152	(6,201)
NET LOSS AND COMPREHENSIVE LOSS		(59,386)	(118,296)
Loss per share, basic and diluted		(0.01)	(0.05)
Weighted average number of common shares		9,060,788	2,200,009

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

AION MINING CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2023 and
the period from incorporation on August 23, 2022 to December 31, 2022
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Equity component of convertible debentures	Accumulated other comprehensive (loss) income	Accumulated Deficit	Total shareholders' equity
		$	$	$	$	$
Balance, August 23, 2022	-	-	-	-	-	-
Shares issued for cash	6,887,587	204,145	-	-	-	204,145
Convertible debentures	-	-	29,957	-	-	29,957
Net loss for the period	-	-	-	-	(112,095)	(112,095)
Other comprehensive loss for the period	-	-	-	(6,201)	-	(6,201)
Balance, December 31, 2022 (Unaudited)	6,887,587	204,145	29,957	(6,201)	(112,095)	115,806
Shares issued for cash	3,757,071	1,085,234	-	-	-	1,085,234
Shares issued for marketable securities	1,658,295	625,000	-	-	-	625,000
Convertible debentures	-	-	46,699	-	-	46,699
Net loss for the year	-	-	-	-	(428,538)	(428,538)
Other comprehensive income for the year	-	-	-	369,152	-	369,152
Balance, December 31, 2023	12,302,953	1,914,379	76,656	362,951	(540,633)	1,813,353

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

AION MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the year ended December 31, 2023 and
the period from incorporation on August 23, 2022 to December 31, 2022
(Expressed in Canadian Dollars)

	2023	(Unaudited) 2022
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(428,538)	(112,095)
Items not affecting cash:		
Accretion	24,398	2,644
Depreciation	148	-
Foreign exchange loss	12,231	635
Interest expense	19,286	3,523
Net changes in non-cash working capital accounts		
Input tax credit receivable	(509)	(404)
Accounts payable and accrued liabilities	49,581	1,582
Due to related parties	328,526	79,861
Net cash provided by (used in) operating activities	**5,123**	**(24,254)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration advances	(509,077)	(63,295)
Exploration and evaluation assets	(757,661)	(169,764)
Purchase of equipment	(1,195)	-
Net cash used in investing activities	**(1,267,933)**	**(233,059)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	1,085,234	204,145
Proceeds from issuance of convertible debentures	432,990	170,000
Net cash provided by financing activities	**1,518,224**	**374,145**
Effect on foreign exchange on cash	100,511	(6,835)
Increase in cash during the year	355,925	109,997
Cash, beginning of the year	109,997	-
CASH, END OF THE YEAR	**465,922**	**109,997**

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

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Aion Mining Corp. ("Aion" or the "Company") was incorporated under the *Business Corporations Act* (British Columbia, Canada) on August 23, 2022. The Company's head office and principal place of business is 1050 – 12471 Horseshoe Way, Richmond, British Columbia, Canada. The Company maintains a branch office located in Bogota, Colombia.

The Company has an option interest in an exploration and evaluation property asset located in Santander, Colombia and its principal business is the exploration of this asset.

For the year ended December 31, 2023, the Company reported a net loss of $428,538 (2022 unaudited - $112,095) and has an accumulated deficit of $540,633 (2022 unaudited - $112,095) and a net working capital of $312,508 (2022 unaudited – net working capital deficiency of $117,253), which has been funded by the issuance of equity and debt financing. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

NOTE 2 – BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the year ended December 31, 2023.

These consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on June 19, 2024.

Basis of measurement

These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these consolidated financial statements have been prepared on the historical-costs basis, except for certain financial assets and financial liabilities.

Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The use of estimates, judgments and assumptions are all interrelated. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from these estimates.

NOTE 3 – MATERIAL ACCOUNTING POLICIES

a) Basis of consolidation

Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Intercompany balances and transactions, and any income and expenses arising from intercompany transactions, are eliminated in preparing these financial statements, which include investments in associated companies.

These consolidated financial statements include the accounts of the Company and its Colombia branch (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	Functional Currency
Aion Mining Corp.	Canada	Canadian Dollar
Aion Mining (Colombia branch)	Colombia	Colombian Peso

b) Foreign currency

These consolidated financial statements are presented in Canadian dollars.

The financial statements of the Company's branch are translated into the Canadian dollar presentation currency as follows:

- Assets and liabilities – at the closing rate at the date of the consolidated statement of financial position.
- Income and expenses – at the average rate of the period (as this is considered a reasonable approximation to actual rates).
- All resulting changes are recognized in OCI as cumulative translation adjustments.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from conversion of the item from functional to reporting currency are considered to form part of the net investment in the foreign operation and are recognized in OCI.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in OCI related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in OCI related to the subsidiary are reallocated between controlling and non-controlling interests.

Transactions and balances

Foreign currency transactions are translated into the functional currency of an entity using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statement of income.

c) Exploration and evaluation assets

Upon acquiring the legal right to explore an exploration and evaluation asset, all direct costs related to the acquisition of exploration and evaluation assets are capitalized. Exploration and evaluation expenditures are capitalized as incurred.

Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to profit or loss during the period such determination is made.

All capitalized mineral property costs are reviewed at each reporting date, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the carrying value, provision is made for the impairment in value. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

Although the Company has taken steps to verify title to the properties in which it has an interest in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee that title to the properties will not be challenged or impugned. Property title may be affected by undetected defects, be subject to unregistered prior agreements, transfers or land claims, or be non-compliant with regulatory requirements.

d) Equipment

Equipment is carried at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Amortization is calculated on a straight-line basis using the useful life of the asset, except in the year of acquisition, when the rate is pro-rated for the months after acquisition:

	Useful life (years)	Depreciation Method
Equipment	5	Straight-line

The estimated useful lives, residual values, and amortization method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis. Gains and losses on disposal of property and equipment are determined by comparing the proceeds from disposal with the carrying amount and recognized in profit or loss.

e) Impairment of non-current assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the assets or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

f) Share capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs. Shares issued for other than cash consideration are valued at either: (i) the fair value of the asset acquired, or the fair value of the liability extinguished at the measurement date under current market conditions, or (ii) the market price of the shares of the Company at the date the agreement to issue the shares is reached.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. Under the residual value method, cash consideration received from the issuance of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share capital. Proceeds received for shares that have not yet been issued as at the reporting date are recorded as share subscriptions.

g) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the year. The dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to re-purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of conversions or exercise of options and warrants if they would be anti-dilutive.

h) Convertible debentures

Convertible debentures are compound financial instruments that are recorded in part as a liability and in part as shareholders' equity. The Company uses the residual valuation method to determine the debt and equity components of the convertible debentures. Under the residual valuation method, the liability component is determined by estimating the present value of the future cash payments discounted at a rate of interest which the Company would be charged by the market for similar debt without the conversion option. The difference between the net proceeds of the debenture and the liability component is recorded as a separate component of shareholders' equity. Debentures payable is accreted to its face value at maturity over the term of the debt through a charge to operations.

i) Financial instruments

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

(i) Classification

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
Marketable securities	FVOCI

Financial liabilities	**Classification under IFRS 9**
Accounts payable and accrued liabilities	Amortized cost
Convertible debentures	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.

j) Related party transactions

Parties are considered 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. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

k) Income taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the financial position reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial position reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. No deferred tax assets have been recognized for the years presented.

(Expressed in Canadian Dollars)

l) New accounting standards and interpretation

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

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.

NOTE 4 –MARKETABLE SECURITIES

On December 13, 2023, the Company and Forge Resources Corp. (formerly Benjamin Hill Mining Corp.) entered into a subscription agreement to acquire 20% interest in the Company. Pursuant to the agreement, the Company issued 2,984,930 of its common shares and 1 special warrant for a total consideration of $500,000 cash payment and issuance of 1,602,565 common shares of Forge Resources Corp. at a deemed price of $0.39 per share, for a total aggregate value of $625,000.

The marketable securities are classified as equity investment at fair value through other comprehensive income. As at December 31, 2023, the 1,602,565 shares held by the Company have a fair value of $881,411. For the year ended December 31, 2023, the Company recognized an unrealized gain on the fair value of the marketable securities of $256,411 in the other comprehensive income.

NOTE 5 – EXPLORATION ADVANCES

As at December 31, 2023, the Company has advances to arm's-length third party suppliers of $572,372 (2022 unaudited – $63,295) in relation to the exploration and evaluation of its mineral property in Colombia.

NOTE 6 – EQUIPMENT

Cost:	$
Balance, December 31, 2022	-
Additions	1,196
Balance, December 31, 2023	1,196
Accumulated depreciation:	
Balance, December 31, 2022	-
Depreciation	148
Balance, December 31, 2023	148
Net book value:	
December 31, 2022	-
December 31, 2023	1,048

NOTE 7 – EXPLORATION AND EVALUATION ASSETS

La Estrella Property

On October 4, 2022, the Company entered into an option agreement to acquire an undivided and unencumbered 100% interest in mining concessions comprised of 1,040 hectares and known as the La Estrella property located in Santander, Colombia.

In order to acquire its interest, the Company must make cash payments totalling US$2,000,000 in accordance with the following payment schedule to the Optionor:

1) US$100,000 upon Completion of Key Tasks[(1)] date (paid);
2) US$100,000 on or before 90 days following Completion of Key Tasks (paid);
3) US$100,000 on or before 180 days following Completion of Key Tasks (partially paid);
4) US$100,000 on or before 270 days following Completion of Key Tasks;
5) US$100,000 on or before the first anniversary following Completion of Key Tasks;
6) US$125,000 on or before 90 days following the first anniversary of the Completion of Key Tasks;
7) US$125,000 on or before 180 days following the first anniversary of the Completion of Key Tasks;
8) US$125,000 on or before 270 days following the first anniversary of the Completion of Key Tasks;
9) US$125,000 on or before the second anniversary of the Completion of Key Tasks;
10) US$250,000 on or before 90 days following the second anniversary of the Completion of Key Tasks;
11) US$250,000 on or before 180 days following the second anniversary of the Completion of Key Tasks;
12) US$250,000 on or before 270 days following the first anniversary of the Completion of Key Tasks; and
13) US$250,000 on or before the third anniversary of the Completion of Key Tasks.

(1) Completion of key tasks includes the execution of a Letter of Interest with the owner of the surface rights and necessary filings with the mining authority

On December 12, 2023, the Company entered into an extension agreement with the Optionor in connection with the initial option agreement dated October 4, 2022. As of the effective date of the extension agreement, the Company acknowledges that it owes the Optionor a total of US$260,000. This amount includes partial payments on previously due obligations, specifically US$40,000 out of the US$100,000 that was originally due on or before May 11, 2023, and an additional US$200,000, which was due in two installments on August 11, 2023, and November 11, 2023.

Pursuant to the extension agreement, the Company was required to make the following payments:

a) The Company should pay the Optionor US$60,000 on or before January 5, 2024 (paid, Note 16);
b) With respect to the remaining US$200,000:
    (i) The Company should pay the Optionor an amount equal to 10% of the cash proceeds from any equity financings completed by the Company on or before May 31, 2024, which would be credited towards the outstanding amount (paid, Note 16).
    (ii) If the proceeds from the equity financing are insufficient to cover the outstanding amount, the remaining balance must be paid by June 11, 2024 (not applicable – see addendum to the extension agreement effective March 12, 2024, and the second extension agreement effective April 15, 2024 described in Note 16).

(Expressed in Canadian Dollars)

Summary of exploration and evaluation costs as at December 31, 2023 and 2022 are as follows:

	La Estrella Property
	$
Acquisition costs	137,374
Exploration expenditures	32,390
Balance, December 31, 2022 (Unaudited)	**169,764**
Acquisition costs	215,151
Exploration expenditures	542,510
Balance, December 31, 2023	**927,425**

NOTE 8 – ACCOUNTS PAYABLE

	2023	(Unaudited) 2022
	$	$
Trade payables	26,163	-
Accrued liabilities	25,000	1,582
	51,163	**1,582**

NOTE 9 – CONVERTIBLE DEBENTURES

During the year ended December 31, 2023 and from the period of incorporation on August 23, 2022 to December 31, 2022, the Company has entered into unsecured loan agreements (the "Convertible Loan Agreements") with related parties. The key terms of the Convertible Loan Agreements are as follows:

Issue Date	Maturity Date	Principal Amount	Annual Interest Rate
September 1, 2022	December 31, 2024	$70,000	5.00%
September 2, 2022	September 2, 2024	$42,000	6.50%
December 6, 2022	December 6, 2024	$490,990	6.50%
		$602,990	

a. The Company shall pay the lenders the principal amount including accrued interest on or before the maturity dates. The Company may from time to time repay all or any part of the indebtedness without bonus or penalty.
b. Interest shall accrue on a daily basis and calculated from the date on which the Company receives the funding pursuant to the loan agreement.
c. At any time and from time to time, the lender has the right to convert any or all outstanding principal and interest into fully paid and non-assessable common shares of the Company at a conversion price of $0.23 per common share.

(Expressed in Canadian Dollars)

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 15%. 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 component	Total
Balances, August 23, 2022	-	-	-
Proceeds	140,043	29,957	170,000
Accretion	2,644	-	2,644
Balances, December 31, 2022 (Unaudited)	**142,687**	**29,957**	**172,644**
Proceeds	386,291	46,699	432,990
Accretion	24,398	-	24,398
Balances, December 31, 2023	**553,376**	**76,656**	**630,032**

NOTE 10 – SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue unlimited number of common shares without par value.

b) Issued and outstanding

All issued shares were fully paid, and nil common shares are held in escrow.

Movement in the Company's share capital are as follows:

	Number of shares	Amount $
Balance, August 23, 2022	-	-
Shares issued for cash	6,887,587	204,145
Balance, December 31, 2022 (Unaudited)	**6,887,587**	**204,145**
Shares issued for cash	3,757,071	1,085,234
Shares issued in exchange for marketable securities (Note 4)	1,658,295	625,000
Balance, December 31, 2023	**12,302,953**	**1,914,379**

During the period from August 23, 2022 to December 31, 2022, an aggregate of 6,887,587 common shares of the Company were issued for gross proceeds of $204,145.

During the year ended December 31, 2023, an aggregate of 3,757,071 common shares of the Company were issued for gross proceeds of $1,085,234.

(Expressed in Canadian Dollars)

On December 13, 2023, the Company issued 2,984,930 common shares at a deemed price of $0.38 in connection with the sale of 20% interest of the Company to Forge Resources Corp. Pursuant to the subscription agreement, 1,326,635 common shares were issued for $500,000 cash and 1,658,295 common shares were issued in exchange for marketable securities for a total aggregate value of $625,000 (Note 4).

c) Special Warrant

Pursuant to the subscription agreement with Forge Resources Corp. ("Subscriber") on December 13, 2023, the Company also issued 1 special warrant without the payment of additional consideration. The special warrant will entitle the Subscriber to receive upon exercise of the special warrant, an additional special warrant and 1 special warrant share of which the conversion rate of such warrants will be adjusted as necessary as to allow the Subscriber to maintain a 20% ownership percentage at all times until expiry of the special warrants, calculated on a fully diluted basis. Unexercised special warrants shall expire in six months from the closing date.

As at December 31, 2023, the 1 special warrant issued and outstanding is valued at $NIL using the residual allocation method.

NOTE 11 – RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Officers of the Company. Certain key management personnel provide services through companies that they control. The following transactions are in the normal course of operations and are measured at their exchange amounts, which are the amounts agreed upon by the transacting parties.

The following amounts, which are unsecured and non-interest bearing, are included in current liabilities and reported as related party liabilities:

	2023	(Unaudited) 2022
	$	$
Due to officers and directors	420,958	81,333
Due to companies controlled by an officer and director	10,241	2,052
	431,199	**83,385**

The following are the transactions with related parties during the year ended December 31, 2023, and the period from August 23, 2022 to December 31, 2022:

	$	$
Management and director fees	323,714	80,116
Interest expense on convertible debentures (Note 9)	19,286	2,363
Other administrative support costs	3,653	906
	346,653	**83,385**

NOTE 12 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of financial instruments

Financial instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value ("FV") hierarchy has the following levels:

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

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

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

The Company`s financial instruments consist of cash, marketable securities, accounts payable and accrued liabilities, convertible debentures and due to related parties.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of marketable securities is measured at Level 1 of the fair value hierarchy. The carrying value of cash, accounts payable and accrued liabilities, convertible debenture and due to related parties approximate their fair value because of the short-term nature of these instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash, receivables and deposits. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances or debt financings. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Currency Risk

As at December 31, 2023, a portion of the Company's financial assets and liabilities held in Canadian dollars, Colombia pesos and United States dollars consist of cash, accounts payable and accrued liabilities and due to related parties. The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in the functional currency. The Company is exposed to currency rate risk in other comprehensive loss, relating to its Colombia branch which operate in a foreign currency.

A summary of the Company's financial assets and liabilities that are denominated in United States dollars is as follows:

	2023	**(Unaudited) 2022**
	$	**$**
Cash	79,473	43,323
Due to related parties	(404,945)	(81,021)
	(325,472)	**(37,698)**

As at December 31, 2023, the Company has determined that a 5% change in US dollars against the Canadian dollar on financial assets and liabilities would result in an increase or decrease of approximately $16,274 for the year ended December 31, 2023 (2022 - $1,885) to net loss and comprehensive loss.

A summary of the Company's financial assets and liabilities that are denominated in Colombia pesos is as follows:

	2023	**(Unaudited) 2022**
	$	**$**
Cash	21,510	61,356
Accounts payable and accrued liabilities	(7,104)	-
	14,406	**61,356**

As at December 31, 2023, the Company has determined that a 5% change in Colombia pesos against the Canadian dollar on financial assets and liabilities would result in an increase or decrease of approximately $720 for the year ended December 31, 2023 (2022 - $3,068) to net loss and comprehensive loss.

(Expressed in Canadian Dollars)

Interest rate risk

The Company has cash balances and debt. The Company's current policy is to invest excess cash in investment grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company is marginally exposed to interest rate risk.

Commodity price risk

The Company is nominally exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

NOTE 13 – SEGMENTED INFORMATION

As at December 31, 2023 and 2022, the Company's operations are located in Canada and Colombia.

As at December 31, 2023, the Company had assets and liabilities located as follows:

	Canada	Colombia	Total
	$	$	$
ASSETS			
Cash	444,412	21,510	465,922
Input tax credit receivable	913	-	913
Marketable securities	881,411	-	881,411
Exploration advances	-	572,372	572,372
Equipment	-	1,048	1,048
Exploration and evaluation assets	352,525	574,900	927,425
LIABILITIES			
Accounts payable and accrued liabilities	44,059	7,104	51,163
Convertible debentures	553,376	-	553,376
Due to related parties	431,199	-	431,199

During the year ended December 31, 2023, the Company had the following losses and comprehensive losses:

	Canada	Colombia	Total
	$	$	$
Operating expenses	(428,390)	(148)	(428,538)
Other comprehensive income	256,411	112,742	369,152
Net loss and comprehensive loss	(171,979)	112,594	(59,386)

(Expressed in Canadian Dollars)

As at December 31, 2022, the Company had assets and liabilities located as follows:

	(Unaudited) Canada	**(Unaudited) Colombia**	**(Unaudited) Total**
	$	**$**	**$**
ASSETS			
Cash	48,641	61,356	109,997
Input tax credit receivable	404	-	404
Exploration advances	-	63,295	63,295
Exploration and evaluation assets	137,374	32,390	169,764
LIABILITIES			
Accounts payable and accrued liabilities	1,582	-	1,582
Convertible debentures	142,687	-	142,687
Due to related parties	83,385	-	83,385

During the period from August 23, 2022 to December 31, 2022, the Company had the following losses and comprehensive losses:

	(Unaudited) Canada	**(Unaudited) Colombia**	**(Unaudited) Total**
	$	**$**	**$**
Operating expenses	(112,095)	-	(112,095)
Other comprehensive loss	-	(6,201)	(6,201)
Net loss and comprehensive loss	(112,095)	(6,201)	(118,296)

NOTE 14 – INCOME TAXES

(a) *Provision for Current tax*

During the year ended December 31, 2023, the Company recorded a $NIL provision of current income tax expenses (2022 unaudited- income tax expense of $NIL).

(b) *Provision for deferred tax*

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at December 31, 2023, the Company has unused non-capital loss carry forwards of approximately $548,097 (2022 unaudited - $112,507) in Canada and $Nil (2022 unaudited - $Nil in Colombia)

In addition, the Company has approximately $352,525 (2022 unaudited - $137,374 of resource tax pools available, which may be used to shelter certain resource income in Canada.

In addition, the Company has approximately $574,900 (2022 unaudited - $32,390) of resource tax pools available, which may be used to shelter certain resource income in Colombia.

(Expressed in Canadian Dollars)

Reconciliation of effective tax rate

	2023	(Unaudited) 2022
	$	$
Loss for the period	(59,386)	(118,296)
Income tax expense	-	-
Loss excluding income tax	(59,386)	(118,296)
Income tax recovery at the statutory rate of 27% (2022 – 27%)	(16,034)	(31,940)
Effect of tax rates in foreign jurisdictions	(12)	-
Non-deductible expenses	(101,758)	1,711
Difference in statutory tax rates and deferred tax rates	-	-
Change in unrecognized temporary differences	117,804	30,229
Current tax expenses	-	-

Deferred tax assets not recognized

As at December 31, 2023, the Company had the following deductible temporary differences in respect of which no deferred tax asset was recognized:

Expiry	Tax Losses	Resource Pools	Share issuance costs	Equipment
Within one year	-	-	-	-
One to five years	-	-	80	-
After five years	548,097	-	-	-
No expiry date	-	927,425	-	1,196
	548,097	**927,425**	**80**	**1,196**

NOTE 15 – CAPITAL MANAGEMENT

The Company manages common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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

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

The Company does not pay out dividends at this time. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. Cash consists of cash on hand, balances with banks and investments in highly liquid instruments, if any. The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents as the fair value approximates carrying value. There have been no changes to the Company's approach to capital management during the year ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2023, the Company sold an additional 20% interest to Forge Resources Corp. for a total consideration of $1,000,000 cash payment and 1,508,621 common shares of Forge Resources Corp. at a deemed price of $0.58 per share.

On January 3, 2024, the Company made a payment of US$60,000 to the Optionor towards the outstanding option payments (Note 7).

On March 12, 2024, an addendum to the extension agreement was made by the Company and the Optionor to negotiate new payment deadlines with respect to all the outstanding balance of payments by the Company and the ones coming due in 2024 or later under the original option agreement (Note 7).

On April 15, 2024, the Company and the Optionor signed a second extension agreement. This agreement acknowledges that as of the effective date, the Company owes the Optionor a total of US$325,000. The parties agreed to the following payment schedule:

a) The Company should pay the Optionor an amount equal to 10% of the cash proceeds from the equity financing completed by the Company with Forge Resources Corp. which amounts to CA$100,000 or US$72,411 on or before April 19, 2024 (paid).

b) Additionally, the Company should pay the Optionor an amount of US$10,000 per month for the next three months on or before the following dates:
   (i) US$10,000 on or before May 15, 2024 (paid);
   (ii) US$10,000 on or before June 15, 2024 (paid);
   (iii) US$10,000 on or before July 15, 2024.

Furthermore, the parties agreed to use commercially reasonable efforts to negotiate new payment deadlines for any other payments due under the original option agreement by July 15, 2024. Interest on any late payments, commencing January 1, 2024, will accrue at a rate of 5.0% per annum until paid. The extension and waiver provided by the Optionor are one-time only and do not affect future obligations.

The second extension agreement reaffirms that all other terms and conditions of the original option agreement remain in effect, and both parties acknowledge their good standing under the agreement.

[Unaudited Interim Financial Statements for Aion Mining Corp. for the period ended June 30, 2024]

AION MINING CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2024 and year ended December 31, 2023

(Expressed in Canadian Dollars)

AION MINING CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at June 30, 2024 and December 31, 2023
(Expressed in Canadian Dollars)

	Note	June 30, 2024	December 31, 2023
Assets			
Current Assets			
Cash		$ 697,715	$ 465,922
Input tax receivable		913	913
Marketable securities	4	2,177,830	881,411
		$ 2,876,458	$ 1,348,246
Non-current Assets			
Exploration advances	5	74,758	572,372
Property, plant and equipment	6	558,301	1,196
Exploration and evaluation assets	7	1,521,623	927,425
Intangible assets		519	-
TOTAL ASSETS		$ 5,031,659	$ 2,849,239
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	8	$ 32,828	$ 51,163
Convertible debentures	9	579,239	553,376
Due to related parties	11	589,743	431,199
		1,201,810	1,035,738
Shareholders' Equity			
Share capital	10	3,744,121	1,914,379
Equity component of convertible debenture		76,656	76,656
Accumulated other comprehensive income	10	763,600	362,951
Accumulated deficit		(754,528)	(540,485)
		3,829,849	1,813,501
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 5,031,659	$ 2,849,239

Nature of Operations and Going Concern (Note 1)

AION MINING CORP.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
For the six months ended June 30, 2024 and
the year ended December 31, 2023
(Expressed in Canadian Dollars)

	Note	June 30, 2024	December 31, 2023
EXPENSES			
Accretion	9	$ 25,863	$ 24,251
Foreign exchange		377	12,231
General and administrative		534	1,756
Interest expense	11	26,490	19,286
Management fees	11	176,553	323,714
Professional fees (recovery)		(18,597)	44,059
Travel		2,821	2,946
		(214,043)	(428,243)
Other comprehensive income			
Exchange differences on translating foreign operations		40,511	112,741
Unrealized gain on marketable securities		466,677	256,411
		507,188	369,152
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		$ 293,146	$ (59,091)
Income (loss) per share, basic and diluted		$ 0.02	$ (0.01)
Weighted average number of common shares		14,407,711	9,060,788

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

AION MINING CORP.
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
For the six months ended June 30, 2024 and
the year ended December 31, 2023
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Equity component of convertible debentures	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholder's equity
Balance, December 31, 2022	**6,887,587**	**$ 204,145**	**$ 29,957**	**$ (6,201)**	**$ (112,095)**	**$ 115,806**
Shares issued for cash	3,757,071	1,085,234	-	-	-	1,085,234
Shares issued for marketable securities	1,658,295	625,000	-	-	-	625,000
Convertible debentures	-	-	46,699	-	-	46,699
Net loss for the year	-	-	-	-	(428,390)	(428,390)
Other comprehensive income for the year	-	-	-	369,152	-	369,152
Balance, December 31, 2023	**12,302,953**	**1,914,379**	**76,656**	**362,951**	**(540,485)**	**1,813,501**
Shares issued for cash	2,718,898	1,000,000	-	-	-	1,000,000
Shares issued for marketable securities	2,255,985	829,742	-	-	-	829,742
Accumulated OCI	-	-	-	400,649	-	400,649
Income and comprehensive income for the period	-	-	-	-	(214,043)	(214,043)
Balance, June 30, 2024	17,277,836	$ 3,744,121	$ 76,656	$ 763,600	$ (754,528)	$3,829,849

AION MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOW
For the six months ended June 30, 2024 and
the year ended December 31, 2023
(Expressed in Canadian Dollars)

	Six months ended June 30, 2024	Year ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period/year	$ (214,043)	$ (428,538)
Items not involving cash:		
Accretion	25,863	24,546
Foreign exchange loss	377	12,231
Interest expense	26,490	19,286
Net change in non-cash working capital accounts		
GST Receivable	-	(509)
Accounts payable and accrued liabilities	(18,335)	49,581
Due to related parties	158,544	328,526
Cash flows used in operating activities	(21,104)	5,123
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration advances	498,614	(509,077)
Acquisition of exploration and evaluation assets	(594,198)	(757,661)
Purchase of property and equipment	(557,105)	(1,195)
Purchase of intangibles	(519)	-
Cash flows used in investing activities	(653,208)	(1,267,933)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	829,742	1,085,234
Issuance of convertible loans	-	432,900
Cash flows provided from financing activities	829,742	1,518,224
EFFECT OF EXCHANGE RATES ON CASH	76,363	100,511
	76,363	100,511
Increase in cash during the period	231,793	355,925
Cash, beginning of period/year	465,922	109,997
Cash, end of period/year	$ 697,715	$ 465,922

NOTE 1 – NATURE OF OPERATIONS

Aion Mining Corp. ("Aion" or the "Company") was incorporated under the *Business Corporations Act* (British Columbia, Canada) on August 23, 2022. The Company's head office and principal place of business is 1050 – 12471 Horseshoe Way, Richmond, British Columbia, Canada. The Company maintains a branch office located in Bogata, Columbia.

The Company has an option interest in an exploration and evaluation property asset located in Santander, Columbia and its principal business is the exploration of this asset.

For the six months ended June 30, 2024, the Company reported a net income of $214,043 (year ended December 31, 2023 - $428,390), an accumulated deficit of $754,528 (2023 - $540,485) and a net working capital of $1,674,648 (December 31, 2023 – net working capital deficiency of $312,508), which has been funded by the issuance of equity and debt financing. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

NOTE 2 – BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the six months ended June 30, 2024.

Basis of measurement

These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these consolidated financial statements have been prepared on the historical-costs basis, except for certain financial assets and financial liabilities.

Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The use of estimates, judgments and assumptions are all interrelated. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from these estimates.

NOTE 3 – MATERIAL ACCOUNTING POLICIES

a) Basis of consolidation:

Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Intercompany balances and transactions, and any income and expenses arising from intercompany transactions, are eliminated in preparing these financial statements, which include investments in associated companies.

These consolidated financial statements include the accounts of the Company and its Colombia branch (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	Functional Currency
Aion Mining Corp.	Canada	Canadian Dollar
Aion Mining Corp. (Colombia branch)	Colombia	Colombian Peso

b) Foreign Currency

These consolidated financial statements are presented in Canadian dollars.

The financial statements of the Company's branch are translated into the Canadian dollar presentation currency as follows:

- Assets and liabilities – at the closing rate at the date of the consolidated statement of financial position.
- Income and expenses – at the average rate of the period (as this is considered a reasonable approximation to actual rates).
- All resulting changes are recognized in OCI as cumulative translation adjustments.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from conversion of the item from functional to reporting currency are considered to form part of the net investment in the foreign operation and are recognized in OCI.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in OCI related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in OCI related to the subsidiary are reallocated between controlling and non-controlling interests.

Transactions and balances

Foreign currency transactions are translated into the functional currency of an entity using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statement of income.

NOTE 3 – MATERIAL ACCOUNTING POLICIES *(continued)*

c) Exploration and evaluation assets:

Upon acquiring the legal right to explore an exploration and evaluation asset, all direct costs related to the acquisition of exploration and evaluation assets are capitalized. Exploration and evaluation expenditures are capitalized as incurred.

Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to profit or loss during the period such determination is made.

All capitalized mineral property costs are reviewed at each reporting date, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the carrying value, provision is made for the impairment in value. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

Although the Company has taken steps to verify title to the properties in which it has an interest in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee that title to the properties will not be challenged or impugned. Property title may be affected by undetected defects, be subject to unregistered prior agreements, transfers or land claims, or be non-compliant with regulatory requirements.

d) Equipment

Equipment is carried at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Amortization is calculated on a straight-line basis using the useful life of the asset, except in the year of acquisition, when the rate is pro-rated for the months after acquisition:

	Useful life (years)	Depreciation Method
Equipment	5	Straight-line

The estimated useful lives, residual values, and amortization method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis. Gains and losses on disposal of property and equipment are determined by comparing the proceeds from disposal with the carrying amount and recognized in profit or loss.

e) Impairment of non-current assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

NOTE 3 – MATERIAL ACCOUNTING POLICIES *(continued)*

e) Impairment of non-current assets *(continued)*

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the assets or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.
Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

f) Share capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs. Shares issued for other than cash consideration are valued at either: (i) the fair value of the asset acquired, or the fair value of the liability extinguished at the measurement date under current market conditions, or (ii) the market price of the shares of the Company at the date the agreement to issue the shares is reached.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. Under the residual value method, cash consideration received from the issuance of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share capital. Proceeds received for shares that have not yet been issued as at the reporting date are recorded as share subscriptions.

g) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the year. The dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to re-purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of conversions or exercise of options and warrants if they would be anti-dilutive.

h) Convertible debentures

Convertible debentures are compound financial instruments that are recorded in part as a liability and in part as shareholders' equity. The Company uses the residual valuation method to determine the debt and equity components of the convertible debentures. Under the residual valuation method, the liability component is determined by estimating the present value of the future cash payments discounted at a rate of interest which the Company would be charged by the market for similar debt without the conversion option. The difference between the net proceeds of the debenture and the liability component is recorded as a separate component of shareholders' equity. Debentures payable is accreted to its face value at maturity over the term of the debt through a charge to operations.

NOTE 3 – MATERIAL ACCOUNTING POLICIES *(continued)*

i) Financial Instruments

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

(i) Classification

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 IFRS9**
Cash	Amortized cost
Marketable securities	FVOCI
Financial liabilities	**Classification under IFRS9**
Accounts payable and accrued liabilities	Amortized cost
Convertible debentures	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.

NOTE 3 – MATERIAL ACCOUNTING POLICIES *(continued)*

i) Financial Instruments *(continued)*

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.

j) Related party transactions

Parties are considered 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. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

k) Income taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the financial position reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial position reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.
A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. No deferred tax assets have been recognized for the years presented.

NOTE 3 – MATERIAL ACCOUNTING POLICIES *(continued)*

l) New accounting standards and interpretation

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

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.

NOTE 4 – MARKETABLE SECURITIES

On December 13, 2023, the Company and Forge Resources Corp. (formerly Benjamin Hill Mining Corp.) entered into a subscription agreement to acquire 20% interest in the Company. Pursuant to the agreement, the Company issued 2,984,930 of its common shares and 1 special warrant for a total consideration of $500,000 cash payment and issuance of 1,602,565 common shares of Forge Resources Corp. at a deemed price of $0.39 per share, for a total aggregate value of $625,000.

On April 15, 2024, the Company and Forge Resources Corp. (formerly Benjamin Hill Mining Corp.) entered into a subscription agreement to acquire an additional 20% interest in the Company. Pursuant to the agreement, the Company issued 4,974,883 of its common shares and 1 special warrant for a total consideration of $1,000,000 cash payment and issuance of 1,508,621 common shares of Forge Resources Corp. at a deemed price of $0.58 per share, for a total aggregate value of $1,875,000.

The marketable securities are classified as equity investment at fair value through other comprehensive income. As at June 30, 2024, the 3,111,186 shares held by the Company have a fair value of $2,177,830 (December 31, 2023 - $881,411). For the six months ended June 30, 2024, the Company recognized an unrealized gain on the fair value of the marketable securities of $466,677 in other comprehensive income year ended December 31, 2023 - $256,411).

NOTE 5 – EXPLORATION ADVANCES

As at June 30, 2024, the Company has advances to arm's-length third party suppliers of $74,758 (year ended December 31, 2023 – $572,372) in relation to the exploration and evaluation of its mineral property in Colombia.

(Expressed in Canadian Dollars)

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Equipment	Furniture & Fixtures	Total
Cost:						
Balance at December 31, 2022	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Additions	-	-	-	-	-	-
Balance at December 31, 2023	**-**	**-**	**-**	**1,196**	**-**	**1,196**
Additions	509,575	42,289	3,019	665	1,935	557,473
Balance at June 30, 2024	**$ 509,575**	**$ 42,289**	**$ 3,019**	**$ 1,861**	**$ 1,935**	**$ 558,679**
Accumulated depreciation:						
Balance at December 31, 2022	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Depreciation during the year	-	-	-	-	-	-
Balance at December 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation during the period	-	-	-	-	-	378
Balance at June 30, 2024	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 378**
Carrying amounts:						
December 31, 2023	**$ -**	**$ -**	**$ -**	**$ 1,196**	**$ -**	**$ 1,196**
June 30, 2024	**$ 509,575**	**$ 42,289**	**$ 3,019**	**$ 1,861**	**$ 1,935**	**$ 558,301**

NOTE 7 – EXPLORATION AND EVALUATION ASSETS

La Estrella Property

On October 4, 2022, the Company entered into an option agreement to acquire an undivided and unencumbered 100% interest in mining concessions comprised of 1,040 hectares and known as the La Estrella property located in Santander, Columbia.

In order to acquire its interest, the Company must make cash payments totalling $2,000,000 in accordance with the following payment schedule to the Optionor:

1) US$100,000 upon Completion of Key Tasks[(1)] date (paid);
2) US$100,000 on or before 90 days following Completion of Key Tasks (paid);
3) US$100,000 on or before 180 days following Completion of Key Tasks (paid);
4) US$100,000 on or before 270 days following Completion of Key Tasks (partially paid);
5) US$100,000 on or before the first anniversary following Completion of Key Tasks;
6) US$125,000 on or before 90 days following the first anniversary of the Completion of Key Tasks;
7) US$125,000 on or before 180 days following the first anniversary of the Completion of Key Tasks;
8) US$125,000 on or before 270 days following the first anniversary of the Completion of Key Tasks;
9) US$125,000 on or before the second anniversary of the Completion of Key Tasks;
10) US$250,000 on or before 90 days following the second anniversary of the Completion of Key Tasks;
11) US$250,000 on or before 180 days following the second anniversary of the Completion of Key Tasks;
12) US$250,000 on or before 270 days following the first anniversary of the Completion of Key Tasks; and
13) US$250,000 on or before the third anniversary of the Completion of Key Tasks.

(1) Completion of key tasks includes the execution of a Letter of Interest with the owner of the surface rights and necessary filings with the mining authority

NOTE 7 – EXPLORATION AND EVALUATION ASSETS *(continued)*

On December 12, 2023, the Company entered into an extension agreement with the Optionor in connection with the initial option agreement dated October 4, 2022. As of the effective date of the extension agreement, the Company acknowledges that it owes the Optionor a total of US$260,000. This amount includes partial payments on previously due obligations, specifically US$40,000 out of the US$100,000 that was originally due on or before May 11, 2023, and an additional US$200,000, which was due in two installments on August 11, 2023, and November 11, 2023.

Pursuant to the extension agreement, the Company was required to make the following payments:

a) The Company should pay the Optionor US$60,000 on or before January 5, 2024 (paid, Note 16);

b) With respect to the remaining US$200,000:

   (i) The Company should pay the Optionor an amount equal to 10% of the cash proceeds from any equity financings completed by the Company on or before May 31, 2024, which would be credited towards the outstanding amount (paid, Note 16).

   (ii) If the proceeds from the equity financing are insufficient to cover the outstanding amount, the remaining balance must be paid by June 11, 2024 (not applicable – see addendum to the extension agreement effective March 12, 2024, and the second extension agreement effective April 15, 2024 described in Note 16).

On March 12, 2024, an addendum to the extension agreement was made by the Company and the Optionor to negotiate new payment deadlines with respect to all the outstanding balance of payments by the Company and the ones coming due in 2024 or later under the original option agreement.

On April 15, 2024, the Company and the Optionor signed a second extension agreement. This agreement acknowledges that as of the effective date, the Company owes the Optionor a total of US$325,000. The parties agreed to the following payment schedule:

a) The Company should pay the Optionor an amount equal to 10% of the cash proceeds from the equity financing completed by the Company with Forge Resources Corp. which amounts to CA$100,000 or US$72,411 on or before April 19, 2024 (paid).

b) Additionally, the Company should pay the Optionor an amount of US$10,000 per month for the next three months on or before the following dates:
   (i) US$10,000 on or before May 15, 2024 (paid);
   (ii) US$10,000 on or before June 15, 2024 (paid);
   (iii) US$10,000 on or before July 15, 2024.

Furthermore, the parties agreed to use commercially reasonable efforts to negotiate new payment deadlines for any other payments due under the original option agreement by July 15, 2024. Interest on any late payments, commencing January 1, 2024, will accrue at a rate of 5.0% per annum until paid. The extension and waiver provided by the Optionor are one-time only and do not affect future obligations.

The second extension agreement reaffirms that all other terms and conditions of the original option agreement remain in effect, and both parties acknowledge their good standing under the agreement.

(Expressed in Canadian Dollars)

NOTE 7 – EXPLORATION AND EVALUATION ASSETS *(continued)*

Summary of exploration and evaluation costs as at June 30, 2024, and December 31, 2023 are as follows:

		La Estrella Property
Acquisition costs	$	384,915
Exploration expenditures		542,510
Balance, December 31, 2023	**$**	**927,425**
Acquisition costs	$	573,896
Exploration expenditures		947,727
Balance, June 30, 2024	**$**	**1,521,623**

NOTE 8 – ACCOUNTS PAYABLE

		June 30, 2024		December 31, 2023
Trade payables	$	5,992	$	26,163
Accrued liabilities		49,300		25,000
Total	**$**	**55,292**	**$**	**51,163**

NOTE 9 – CONVERTIBLE DEBENTURES

During the year ended December 31, 2023 and from the period of incorporation on August 23, 2022 to December 31, 2022, the Company has entered into unsecured loan agreements (the "Convertible Loan Agreements") with related parties. The key terms of the Convertible Loan Agreements are as follows:

Issue Date	Maturity Date	Principal Amount	Annual Interest Rate
September 1, 2022	December 31, 2024	$ 70,000	5.00%
September 2, 2022	September 2, 2024	42,000	6.50%
December 6, 2022	December 6, 2024	490,990	6.50%
		$ 602,990	

a. The Company shall pay the lenders the principal amount including accrued interest on or before the maturity dates. The Company may from time to time repay all or any part of the indebtedness without bonus or penalty.

b. Interest shall accrue on a daily basis and calculated from the date on which the Company receives the funding pursuant to the loan agreement.

c. At any time and from time to time, the lender has the right to convert any or all outstanding principal and interest into fully paid and non-assessable common shares of the Company at a conversion price of $0.23 per common share.

(Expressed in Canadian Dollars)

NOTE 9 – CONVERTIBLE DEBENTURES *(continued)*

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 15%. 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 component	Total
Balances, December 31, 2022 (Unaudited)	$ 142,687	$ 29,957	$ 172,644
Proceeds	386,291	46,699	432,900
Accretions	24,398	-	24,398
Balances, December 31, 2023	553,376	76,656	630,032
Accretions	25,863	-	25,863
Balances, June 30, 2024	$ 579,239	$ 76,656	$ 655,895

NOTE 10 – SHARE CAPITAL

a) **Authorized**

The Company is authorized to issue unlimited number of common shares without par value.

b) **Issued and outstanding**

All issued shares were fully paid, and nil common shares are held in escrow.

Movement in the Company's share capital are as follows:

	Number of shares	Amount $
Balance, December 31, 2022 (Unaudited)	**6,887,587**	**204,145**
Shares issued for cash	3,757,071	1,085,234
Shares issued in exchange for marketable securities (Note 4)	1,658,295	625,000
Balance, December 31, 2023	**12,302,953**	**1,914,379**
Shares issued for cash	2,718,898	1,000,000
Shares issued in exchange for marketable securities (Note 4)	2,255,985	829,742
Balance, June 30, 2024	**17,277,836**	**3,744,121**

During the year ended December 31, 2023, an aggregate of 3,757,071 common shares of the Company were issued for gross proceeds of $1,085,234.

On December 13, 2023, the Company issued 2,984,930 common shares at a deemed price of $0.28 in connection with the sale of a 20% interest of the Company to Forge Resources Corp. Pursuant to the subscription agreement, 1,326,635 common shares were issued for $500,000 cash and 1,658,295 common shares were issued in exchange for marketable securities for a total aggregate value of $625,000 (Note 4).

(Expressed in Canadian Dollars)

NOTE 10 – SHARE CAPITAL *(continued)*

c) **Issued and outstanding** *(continued)*

On April 15, 2024, the Company issued 4,974,883 common shares at a deemed price of $0.58 in connection with the sale of a 20% interest of the Company to Forge Resources Corp. Pursuant to the subscription agreement, 2,718,888 common shares were issued for $1,000,000 cash and 2,255,985 common shares were issued in exchange for marketable securities for a total aggregate value of $1,829,742 (Note 4).

d) **Special Warrants**

Pursuant to the subscription agreement with Forge Resources Corp. ("Subscriber") on December 13, 2023, the Company also issued 1 special warrant without the payment of additional consideration. The special warrant will entitle the Subscriber to receive upon exercise of the special warrant, an additional special warrant and 1 special warrant share of which the conversion rate of such warrants will be adjusted as necessary as to allow the Subscriber to maintain a 20% ownership percentage at all times until expiry of the special warrants, calculated on a fully diluted basis. Unexercised special warrants shall expire in six months from the closing date.

Pursuant to the subscription agreement with Forge Resources Corp. ("Subscriber") on April 15, 2024, the Company also issued 1 special warrant without the payment of additional consideration. The special warrant will entitle the Subscriber to receive upon exercise of the special warrant, an additional special warrant and 1 special warrant share of which the conversion rate of such warrants will be adjusted as necessary as to allow the Subscriber to maintain a 20% ownership percentage at all times until expiry of the special warrants, calculated on a fully diluted basis. Unexercised special warrants shall expire in six months from the closing date

As at June 30, 2024, the 2 special warrants issued and outstanding are valued at $NIL (December 31, 2023 – $NIL) using the residual allocation method.

NOTE 11 – RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Officers of the Company. Certain key management personnel provide services through companies that they control. The following transactions are in the normal course of operations and are measured at their exchange amounts, which are the amounts agreed upon by the transacting parties.

The following amounts, which are unsecured and non-interest bearing, are included in current liabilities and reported as related party liabilities:

	June 30, 2024	December 31, 2023
	$	$
Due to officers and directors	576,396	420,958
Due to companies controlled by an officer and director	13,347	10,241
	589,743	**431,199**

(Expressed in Canadian Dollars)

NOTE 11 – RELATED PARTY TRANSACTIONS *(continued)*

The following are the transactions with related parties during the six months ended June 30, 2024, and the year ended December 31, 2023:

	Six months ended June 30, 2024	Year ended December 31, 2023
	$	$
Management and director fees	162,900	323,714
Interest expense on convertible debentures (Note 9)	19,020	19,286
Other administrative support costs	-	3,653
	181,920	**346,653**

NOTE 12 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification of financial instruments

Financial instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value ("FV") hierarchy has the following levels:

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

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

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

The Company`s financial instruments consist of cash, marketable securities, accounts payable and accrued liabilities, convertible debentures and due to related parties.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, reclamation deposit, accounts payable and accrued liabilities, loans payable, lease liability and due to related parties approximate their fair value because of the short term nature of these instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

NOTE 12 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash, receivables and deposits. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances or debt financings. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

Currency Risk

As at December 31, 2023, a portion of the Company's financial assets and liabilities held in Canadian dollars and United States dollar consist of cash, accounts payable and accrued liabilities and due to related parties. The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in the functional currency. The Company is exposed to currency rate risk in other comprehensive loss, relating to its Colombia branch which operate in a foreign currency.

A summary of the Company's financial assets and liabilities that are denominated in United States dollars is as follows:

	June 30, 2024	December 31, 2023
	$	$
Cash	(43)	79,473
Due to related parties	(541,383)	(404,945)
	(541,426)	**(325,472)**

As at June 30, 2024, the Company has determined that a 5% change in US dollars against the Canadian dollar on financial assets and liabilities would result in an increase or decrease of approximately $27,071 for the six months ended June 30, 2024 (year ended December 31, 2023 - $16,274) to net loss and comprehensive loss.

(Expressed in Canadian Dollars)

NOTE 12 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

Currency Risk *(continued)*

A summary of the Company's financial assets and liabilities that are denominated in Colombia pesos is as follows:

	June 30, 2024	December 31, 2023
	$	**$**
Cash	14,171	21,510
Accounts payable and accrued liabilities	(9,400)	(7,104)
	4,771	**14,406**

As at June 30, 2024, the Company has determined that a 5% change in Colombia pesos against the Canadian dollar on financial assets and liabilities would result in an increase or decrease of approximately $239 for the six months ended June 30, 2024 (year ended December 31, 2023 - $720) to net loss and comprehensive loss.

Interest rate risk

The Company has cash balances and debt. The Company's current policy is to invest excess cash in investment grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company is marginally exposed to interest rate risk.

Commodity price risk

The Company is nominally exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian Dollars)

NOTE 13 – SEGMENTED INFORMATION

As at June 30, 2024 and December 31, 2023, the Company's operations are located in Canada and Columbia.

As at June 30, 2024, the Company had assets and liabilities located as follows:

	Canada	Colombia	Total
	$	$	$
ASSETS			
Cash	683,544	14,171	697,715
Input tax credit receivable	913	-	913
Marketable securities	2,177,830	-	2,177,830
Exploration advances	-	74,758	74,758
Property, plant and equipment	-	558,301	558,301
Exploration and evaluation assets	560,132	961,490	1,521,623
LIABILITIES			
Accounts payable and accrued liabilities	23,428	9,400	32,828
Convertible debentures	579,239	-	579,239
Due to related parties	589,743	-	589,743

During the six months ended June 30, 2024, the Company had the following losses and comprehensive losses:

	Canada	Colombia	Total
	$	$	$
Operating expenses	(214,043)	-	(214,043)
Other comprehensive income	466,677	40,511	507,188
Net loss and comprehensive loss	252,634	40,511	293,145

As at December 31, 2023, the Company had assets and liabilities located as follows:

	Canada	Colombia	Total
	$	$	$
ASSETS			
Cash	444,412	21,510	465,922
Input tax credit receivable	913	-	913
Marketable securities	881,411	-	881,411
Exploration advances	-	572,372	572,372
Equipment	-	1,048	1,048
Exploration and evaluation assets	352,525	574,900	927,425
LIABILITIES			
Accounts payable and accrued liabilities	44,059	7,104	51,163
Convertible debentures	553,376	-	553,376
Due to related parties	431,199	-	431,199

(Expressed in Canadian Dollars)

NOTE 13 – SEGMENTED INFORMATION *(continued)*

During the year ended December 31, 2023, the Company had the following losses and comprehensive losses:

	Canada	Colombia	Total
	$	$	$
Operating expenses	(428,390)	(148)	(428,538)
Other comprehensive income	256,411	112,742	369,152
Net loss and comprehensive loss	(171,979)	112,594	(59,386)

NOTE 14 – INCOME TAXES

(a) Provision for Current tax

During the year ended December 31, 2023, the Company recorded a $NIL provision of current income tax expenses (2022 unaudited- income tax expense of $NIL).

(b) Provision for deferred tax

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at December 31, 2023, the Company has unused non-capital loss carry forwards of approximately $548,097 (2022 unaudited - $112,507) in Canada and $Nil (2022 unaudited - $Nil in Colombia)

In addition, the Company has approximately $352,525 (2022 unaudited - $137,374 of resource tax pools available, which may be used to shelter certain resource income in Canada.

In addition, the Company has approximately $574,900 (2022 unaudited - $32,390) of resource tax pools available, which may be used to shelter certain resource income in Colombia.

Reconciliation of effective tax rate

	2023	(Unaudited) 2022
	$	$
Loss for the period	(59,386)	(118,296)
Income tax expense	-	-
Loss excluding income tax	(59,386)	(118,296)
Income tax recovery at the statutory rate of 27% (2022 – 27%)	(16,034)	(31,940)
Effect of tax rates in foreign jurisdictions	(12)	-
Non-deductible expenses	(101,758)	1,711
Difference in statutory tax rates and deferred tax rates	-	-
Change in unrecognized temporary differences	117,804	30,229
Current tax expenses	-	-

(Expressed in Canadian Dollars)

NOTE 14 – INCOME TAXES *(continued)*

Deferred tax assets not recognized

As at December 31, 2023, the Company had the following deductible temporary differences in respect of which no deferred tax asset was recognized:

Expiry	Tax Losses	Resource Pools	Share issuance costs	Equipment
Within one year	-	-	-	-
One to five years	-	-	80	-
After five years	548,097	-	-	-
No expiry date	-	927,425	-	1,196
	548,097	**927,425**	**80**	**1,196**

NOTE 15 – CAPITAL MANAGEMENT

The Company manages common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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

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