PURANIUM ENERGY LTD (formerly MONTEREY MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Puranium Energy Ltd. (formerly Monterey Minerals Inc.):

Opinion

We have audited the consolidated financial statements of Puranium Energy Ltd. (formerly Monterey Minerals Inc.) and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022, and the results of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the 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

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2022 and, as of that date, the Company had an accumulated deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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.

Other Matter

The consolidated financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on May 2, 2022.

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Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

MNP LLP

Toronto, Ontario
April 28, 2023

Chartered Professional Accountants
Licensed Public Accountants

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2022	As at December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 34,242	$ 836,024
Prepaid expenses and deposits	14,839	174,983
Government remittance recoverable	50,857	20,583
Total current assets	99,938	1,031,590
Right-of-use asset (note 7)	44,664	7,141
Total Assets	$ 144,602	$ 1,038,731
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 207,134	$ 49,340
Lease liability (note 8)	7,375	11,675
Total current liabilities	214,509	61,015
Non-Current liabilities		
Lease liability (note 8)	39,389	-
Total Liabilities	253,898	61,015
Shareholders' Equity (Deficit)		
Share capital (note 9(a))	11,666,271	9,956,180
Reserves (notes 9 (b) and (c))	3,021,097	2,577,134
Shares to be issued (notes 12 and 17)	264,144	-
Accumulated other comprehensive loss	(4,097)	(3,332)
Accumulated deficit	(15,023,195)	(11,552,266)
Shareholders' equity (deficit) attributed to equity holders of the Company	(75,780)	977,716
Non-controlling interest	(33,516)	-
Total Shareholders' Equity (Deficit)	(109,296)	977,716
Total Liabilities and Shareholders' Equity (Deficit)	$ 144,602	$ 1,038,731

Going concern (note 2)
Subsequent events (note 17)

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

Approved by the Board of Directors:

Director: Jason Bagg

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)
Consolidated Statements of Loss and Comprehensive Loss
Years Ended December 31, 2022 and 2021
(Expressed in Canadian Dollars)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Expenses		
Mineral acquisition and exploration (note 12)	$ 2,339,549	$ 876,250
Investor relations and communication	323,485	10,029
Share-based payments (note 9(b))	443,963	-
Consulting (note 15)	113,206	310,330
Transfer agent and filing fees	26,907	19,240
General and administration	223,828	81,797
Depreciation of right of use asset (note 7)	12,931	17,138
Travel	20,576	-
Net loss before below items	(3,504,445)	(1,314,784)
Gain on disposition of marketable securities (note 6)	-	26,445
Gain on settlement of debt	-	24,000
Net loss from continuing operations for the year	$ (3,504,445)	$ (1,264,339)
Net loss from discontinued operation for the year (note 4)	-	(132,961)
Total net loss for the year	$ (3,504,445)	$ (1,397,300)
Other comprehensive loss:		
Foreign currency translation adjustment	(765)	(607)
Total comprehensive loss for the year	$ (3,505,210)	$ (1,397,907)
Loss for the year attributed to:		
Shareholders of the Company	**$ (3,470,929)**	$ (1,397,300)
Non-controlling interest	**(33,516)**	-
	(3,504,445)	(1,397,300)
Total comprehensive loss for the year attributed to:		
Shareholders of the Company	**$ (3,471,694)**	$ (1,397,907)
Non-controlling interest	**(33,516)**	-
	(3,505,210)	(1,397,907)
Basic and diluted loss per share		
- continued operations	$ (0.27)	$ (0.80)
- discontinued operations	$ -	$ (0.08)
Weighted average number of shares outstanding	12,844,049	1,586,184

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

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian Dollars)

	Share Capital							
	Number	Amount	Shares to be issued	Reserves	Other Comprehensive Income (loss)	Accumulated Deficit	Non-Controlling Interest	Total
Balance, December 31, 2020	**1,903,158**	**$ 8,305,778**	**$ -**	**$ 2,003,134**	**$ (2,725)**	**$ (10,154,966)**	**$ -**	**$ 151,221**
Shares issued for exploration consulting services (note 9)	11,818	22,902	-	-	-	-	-	22,902
Shares issued for acquisition (note 12)	1,800,000	819,000	-	-	-	-	-	819,000
Share issuance costs in private placements	3,930,000	982,500	-	-	-	-	-	982,500
Fair value of warrants and broker warrants issued in private placements	-	(574,000)	-	574,000	-	-	-	-
Shares issued in debt settlement	1,600,000	400,000	-	-	-	-	-	400,000
Comprehensive loss for the year	-	-	-	-	(607)	(1,397,300)	-	(1,397,907)
Balance, December 31, 2021	**9,244,976**	**$ 9,956,180**	**$ -**	**$ 2,577,134**	**$ (3,332)**	**$ (11,552,266)**	**$ -**	**$ 977,716**
Shares issued for exploration property acquisition (note 9 and 12)	7,773,140	1,710,091	-	-	-	-	-	1,710,091
Shares to be issued for exploration property acquisition (note 12)	-	-	193,643	-	-	-	-	193,643
Shares to be issued (note 17)	-	-	70,501	-	-	-	-	70,501
Stock-based payment (note 9)	-	-	-	443,963	-	-	-	443,963
Comprehensive loss for the year	-	-	-	-	(765)	(3,470,929)	(33,516)	(3,505,210)
Balance, December 31, 2022	**17,018,116**	**$ 11,666,271**	**$ 264,144**	**$ 3,021,097**	**$ (4,097)**	**$ (15,023,195)**	**$ (33,516)**	**$ (109,296)**

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

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Year ended December 31,	2022	2021
Operating Activities		
Net loss for the year	$ (3,504,445)	$ (1,397,300)
Items not affecting cash:		
Foreign exchange	-	(5,280)
Share-based payments	443,963	-
Shares issued for exploration consulting services	-	22,901
Gain on disposition of marketable securities	-	(26,445)
Accretion of lease liability	4,304	234
Depreciation of right-of-use asset	12,931	17,139
Exploration expenses recognized on exploration property acquisition	1,903,734	819,000
Non-cash property option receipts	-	(72,214)
Accrued interest on loans	-	6,420
Gain on write down of account payable	-	(24,000)
Changes in non-cash operating working capital:		
Prepaid expenses and deposits	(4,856)	17,735
Government remittances recoverable	(30,274)	39,427
Repayment of lease liabilities	-	(17,512)
Accounts payable and accrued liabilities	157,793	45,891
Cash used in operating activities	(1,016,850)	(574,004)
Investing Activities		
Loan receivable	-	10,018
Proceeds from disposition of marketable securities	-	164,351
Cash provided by investing activities	-	174,369
Financing Activities		
Proceeds from loans payable	-	180,000
New shares issued, net of share issuance costs	-	817,500
Issuance of common shares	165,000	-
Shares to be issued	70,501	-
Repayment of lease liabilities	(19,669)	-
Loan repayment	-	(81,784)
Cash provided by financing activities	215,832	915,716
Change in cash and cash equivalents during the year	(801,018)	516,081
Impact of foreign exchange rate on cash	(764)	(607)
Cash and cash equivalents , beginning of the year	836,024	320,550
Cash and cash equivalents , end of the year	$ 34,242	$ 836,024
Non-cash investing and financing activities		
Shares issued for exploration consulting services	$ -	$ 22,902
Shares issued for mineral interests	$ 1,903,734	$ 819,000
Shares issued for interest on loans	$ -	$ 6,420

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

1. Nature of operations

Puranium Energy Ltd. (formerly Monterey Minerals Inc.) (the "Company") was incorporated on May 9, 2014 under the laws of British Columbia, Canada. Its head office is located at 777 Hornby Street, Suite 600, Vancouver, BC V6Z 1S4, Canada. The Company's common shares are listed on the Canadian Securities Exchange ("CSE") under the symbol UX.

On June 26, 2018, Monterey Minerals Inc. ("Former Monterey") and Landsdown Holdings Ltd. completed a share exchange public listing transaction pursuant to a Share Exchange Agreement (the "SEA"). This resulted in the former Landsdown shareholders acquiring control of the Company, after which the Company effected a change in directors, management and business.

Under the terms of the SEA, Former Monterey acquired all of the issued and outstanding common shares of Landsdown based on a 1:1 share exchange ratio. Based on the distribution of shareholdings on completion of the SEA, Landsdown is deemed to be the continuing entity for financial reporting purposes. The transaction constituted a reverse acquisition.

Prior to the SEA, on October 19, 2016, Former Monterey incorporated four wholly owned subsidiaries: 1093681 BC Ltd., 1093682 BC Ltd., 1093683 BC Ltd., and Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.) ("Subcos") setup for proposed arrangement transactions. Former Monterey set the share distribution record date of a plan of an arrangement at close of business on April 18, 2018 whereby each Subcos would issue 1,010,549 common shares to shareholders of the Company. Blue Aqua Holdings Ltd. was spun out effective June 12, 2018 with the remaining Subcos spun out on August 28, 2018.

On November 17, 2021, the Company purchased 1317152 B.C. Ltd ("PrivateCo") that has an option to purchase a 100% interest in 35 minerals claims in Ontario, Canada (the "Haines Property") (see note 12).

On March 24, 2022, Monterey Minerals Inc. changed its name to Puranium Energy Ltd. and on April 5, 2022 starting trading under the symbol UX on the CSE.

The COVID-19 pandemic has not resulted in any material impact on operations and the Company currently does not expect it will impact its 2023 exploration activities. Preventative measures are in place to ensure the well-being of employees and contractors and no risks were noted at the end of the reporting period. Management continues to monitor the situation at the site and corporate office to identify any issues that may affect operational or financial reporting activities.

2. Going concern

These consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern, and, therefore be required to realized its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in these consolidated financial statements. Such adjustments could be material.

At December 31, 2022, the Company had not yet achieved profitable operations and had accumulated losses of $15,023,195 (December 31, 2021 - $11,552,266). For the year ended December 31, 2022, the Company had a net loss of $3,504,445 (year ended December 31, 2021 - net loss of $1,397,300). The Company expects to incur further losses in the development of its business, all of which raise material uncertainties which casts significant doubt about the Company's ability to continue as a going concern.

A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due; all of which are uncertain.

3. Significant accounting policies

(a) Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2022. The policies set out below are based on IFRS issued and outstanding as of April 27, 2023, the date that the Board of Directors approved the consolidated financial statements.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measure at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Functional and Presentation Currency

The consolidated financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

The functional currency of the parent company and its subsidiaries in Canada is the Canadian dollar, the functional currency of its subsidiaries in Australia is the Australian dollar, and the functional currency of its subsidiaries in Namibia is the Namibian dollar.

The Company and its subsidiaries recognizes transactions in currencies other than their functional currency at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the end of reporting period are recognized in the consolidated statements of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. Significant accounting policies (continued)

(c) Functional and Presentation Currency (continued)

The results and financial position of all of the Company's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position date presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each consolidated statement of loss and comprehensive loss are translated at average exchange rates;
- intercompany loans and shareholders equity (deficit) are translated at historical exchange rates, and
- all resulting exchange differences are recognised in other comprehensive loss.

(d) Significant Accounting and Estimates and Judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgments:
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

- Income taxes - measurement of income taxes payable, deferred income tax assets and liabilities, and assessing the probability of realizing income tax assets, requires management to make judgments in the interpretation and application of the relevant tax laws and makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements;
- Capital reserves – the inputs used in accounting for share-based payment transactions, including stock options and warrants,
- Assessment of the acquisitions - This required management to make a determination as to whether it met the definition of a business pursuant to IFRS 3 – Business Combinations;
- Going concern - management must make an assessment as to the going concern basis of accounting and uncertainties associated with the Company’s ability to raise additional capital and/or obtain financing to advance the exploration properties;
- Site decommissioning obligations - the Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates are made by management and external consultants considering current costs, technology and enacted legislation;

3. Significant accounting policies (continued)

(d) Significant Accounting and Estimates and Judgements (continued)

Critical accounting estimates (continued):

- Share issued for non-cash consideration – Shares issued for non-cash consideration are measured by reference to the more reliable of the fair value of the consideration received or paid, and
- Incremental borrowing cost - Incremental borrowing rate should represent the rate the Company would have to pay to borrow over a similar term and with similar security, and the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Significant judgment is required to estimate an incremental borrowing rate in the context of a right-of-use asset.

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. The results of subsidiaries acquired or disposed of during the years presented are included in these consolidated statements of loss and comprehensive loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. An investor controls an investee if the investor has the power over the investee, has the exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within the consolidated financial statements:

	Registered	**Principal activity**
Parent		
Puranium Energy Ltd.(formerly Monterey Minerals Inc.)	British Columbia, Canada	Holding company
Subsidiaries		
Landsdown Holdings Ltd. (1)	British Columbia, Canada	Holding company
Ridge Street Investments Pty Ltd. (1)	Australia	Mines exploration and exploitation
CTTR Mining Tenements Pty Ltd (1)	Australia	Mines exploration and exploitation
Golden River Resources Pty Ltd (1)	Australia	Mines exploration and exploitation
1317152 B.C. Ltd.(1)	British Columbia, Canada	Mines exploration and exploitation
Bergamot Investments (Proprietary) Limited (2)	Namibia	Mines exploration and exploitation
Betel Leaf Investments (Proprietary) Limited (2)	Namibia	Mines exploration and exploitation
Parsley Investments (Proprietary) Limited (2)	Namibia	Mines exploration and exploitation
Plum Investments (Proprietary) Limited (1)	Namibia	Mines exploration and exploitation
Catnip Investments (Proprietary) Limited (2)	Namibia	Mines exploration and exploitation
Wasabi Investments (Proprietary) Limited (2)	Namibia	Mines exploration and exploitation
Clary Sage Investments (Proprietary) Limited (2)	Namibia	Mines exploration and exploitation
Chives Investments (Proprietary) Limited (2)	Namibia	Mines exploration and exploitation

(1) The Company holds 100% in the subsidiary
(2) The Company holds 85% in the subsidiary

3. Significant accounting policies (continued)

(f) Financial instruments

Recognition
The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement
The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting date. All other financial assets are measured at their fair values at each subsequent reporting date, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed immediately in profit or loss.

The Company's financial assets consists of cash and cash equivalents, which is classified and subsequently measured at FVTPL. The Company's financial liabilities consist of accounts payable and accrued liabilities and lease liability, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net profit and loss.

Impairment
The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

3. Significant accounting policies (continued)

(g) Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

(h) Mineral properties

The Company charges to operations all mineral property acquisition costs and exploration and evaluation expenses incurred prior to the determination of economically recoverable reserve. These costs would also include periodic fees such as license and maintenance fees. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(i) Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

(j) Share-based compensation transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based compensation transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, such as share-based payments to employees, they are measured at fair value of the share-based payment.

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

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

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

3. Significant accounting policies (continued)

(j) Share-based compensation transactions (continued)

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

The dilutive effect of outstanding options (if any) is reflected as additional dilution in the computation of loss per share.

(k) Income taxes

Income tax on these consolidated statements of loss and comprehensive loss for the years presented comprises current and deferred tax. Income tax is recognized in these consolidated statements of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: 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, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to taxable temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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.

(l) Leases

The Company's accounting policy for leases under IFRS 16 is as follows.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. Significant accounting policies (continued)

(l) Leases (continued)

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset’s useful life and the lease term.

(m) New standards not yet adopted and interpretations issued but not yet effective.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment was deferred and is effective for annual periods beginning on or after January 1, 2024. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

Amendments to IAS 8 – accounting policies, changes in accounting estimates and errors
The amendments to IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendments effective for annual periods beginning on or after January 1, 2023, with early application permitted. No significant impact to the Company’s consolidated financial statements is expected.

4. Discontinued operation

During the year ended December 31, 2021, the Company disposed of Inner Arc Pty Ltd. ("Inner Arc") for consideration of $nil.

Pursuant to IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, the consolidated financial statements of the Company was reclassified to reflect discontinued operation of Inner Arc. Accordingly, net loss of discontinued operation was segregated in the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian Dollars)

4. Discontinued operation (continued)

The following tables present summarized financial information related to discontinued operations in Inner Arc:

	Year Ended December 31, 2022	2021
Mineral acquisition and exploration (note 12)	$ -	$ 60,048
Travel	-	18,802
General and administration	-	26,651
Salaries and wages	-	1,154
Net loss before below item	-	106,655
Loss on disposition of Inner Arc	-	26,306
Net loss of discontinued operation for the year	$ -	$ 132,961

Statements of cash flows of the discontinued operation for the years ended December 31, 2022 and 2021:

	Year Ended December 31, 2022	2021
Net cash flows used in operating activities for discontinued operation	$ -	$ (244,511)
Net cash flows provided by financing activities for discontinued operation	-	128,527
Impact of foreign exchange rate on cash	-	(9,423)
Cash and cash equivalents, beginning of the year for discontinued operation	-	125,407
Cash and cash equivalents, end of the year for discontinued operation	$ -	$ -

5. Loan receivable

The Company had one loan receivable as at December 31, 2020 with principal outstanding of $10,018, which is unsecured, non-interest bearing and is due on demand. The loan was repaid during the year ended December 31, 2021.

6. Marketable securities

Balance, December 31, 2020	**$ 66,386**
Addition (1)	72,214
Disposal	(148,419)
Revaluation to fair market value	31,947
Impact of foreign exchange	(22,128)
Balance, December 31, 2021 and December 31, 2022	**$ -**

(1) This amount represents the fair value of the shares received from New Age (as defined in note 12) for the sale of the Company's portfolio in Australia and was offset against the mineral acquisition and exploration in the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian Dollars)

7. Right-of-use Assets

Upon termination of the Company's previous lease agreement, the Company entered in to a new 5 year office lease on June 1, 2022. The Company used its incremental borrowing rate of 15.0% as the discount rate to determine the value to its 5 year office lease. The asset is depreciated on a straight-line basis over the lease term of 61 months, starting June 1, 2022.

Office lease	December 31, 2022	December 31, 2021
Balance, beginning of the year	**$ 7,141**	$ 24,279
Addition	**50,454**	-
Depreciation	**(12,931)**	(17,138)
Balance, end of the year	**$ 44,664**	$ 7,141

The right of use assets consist of leased office space which is amortized over the the life of the lease of 61 months currently (previous lease - 48 months).

8. Lease Liabilities

Office lease	December 31, 2022	December 31, 2021
Balance, beginning of the year	**$ 11,675**	$ 28,953
Additions	**50,454**	-
Interest	**4,304**	234
Lease payments	**(19,669)**	(17,512)
Balance, end of the year	**$ 46,764**	$ 11,675
Allocated as:		
Current	**$ 7,375**	$ 11,675
Long-term	**39,389**	-
	$ 46,764	$ 11,675

The following is a reconciliation from the undiscounted lease payments to the net investment in leases:

	Year 1	Year 2 - 3	Year 4- 5	Total
Undiscounted cash flows				
Lease payments	$ 13,903	$ 28,807	$ 22,183	$ 64,893

(Expressed in Canadian Dollars)

9. Share capital and reserve

(a) Authorized – Unlimited Common shares without par value:

Issued and Outstanding as at December 31, 2022: 17,018,116 (December 31, 2021 - 9,244,976).

On April 1, 2021, the Company issued 11,836 common shares to a consultant for providing exploration consulting services.

On July 27, 2021, the Company consolidated its outstanding common shares on the basis of one (1) post-consolidation common share for every eighty (80) pre-consolidation common shares.

On November 17, 2021, the Company issued 1,800,000 common shares to a private company that has an option to purchase a 100% interest in 35 minerals claims in Ontario, Canada (the "Haines Property") (see note 12).

On December 23, 2021, the Company completed a private placement of 3,930,000 Units (each, a "Unit") of the Company, issued at price of $0.25 per Unit for gross proceeds of $982,500. Each Unit consists of one (1) common share and one (1) non-transferable common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share at a price of $0.35 for a period of 24 months from the date of issue and will be subject to an acceleration clause whereby the Company may force exercise of the Warrant any time before the end of the 24 month period if the Company's common shares trade at a price of over $0.50 for 10 consecutive days. $165,000 of the proceeds were received in January 2022 and was included in prepaids as a subscription receivable as at December 31, 2021.

On December 23, 2021, $400,000 of debt and trade payables outstanding to contractors, vendors, and insiders of the Company was settled in Units issued in connection with the Financing by issue of 1,600,000 units. Each Unit consists of one (1) common share and one (1) non-transferable common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share at a price of $0.35 for a period of 24 months from the date of issue.

The fair value of the 5,530,000 warrants were estimated at $574,000 using the Black-Scholes Option Pricing Model under the following assumptions: average risk-free interest rate – 0.98%; expected life – 2 years; expected volatility – 183%; forfeiture rate – Nil and expected dividends – Nil.

On July 15, 2022, the Company received official government approvals from the Namibian Ministry of Mines and Energy for the transfer of six (6) of the seven (7) licenses in connection with the definitive agreement entered into on March 16, 2022 and, the Company issued 7,773,140 common shares, which included 706,640 common shares paid as a finder's fee (note 12) . The shares were valued using the closing price on date of issue.

(b) Stock options

On January 11, 2022, the Company granted 850,000 share purchase options to directors, officers and consultant which have an exercise price of $0.70 per option, expire on January 11, 2027 and vested immediately on the date of grant. Share-based payments of $443,963 have been recorded in connection with the issuance of these options. The 850,000 options were fair valued using the Black-Scholes Option Pricing Model using the following assumptions: average risk-free interest rate - 1.50%; share price - $0.70; expected life - 5 years; expected volatility – 100%; forfeiture rate - Nil and expected dividends - Nil.

The movement in the Company's share options for the years ended December 31, 2022 and 2021 are as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2020 and December 31, 2021	**68,438**	**$ 9.21**
Granted	850,000	0.70
Balance, December 31, 2022	**918,438**	**$ 1.33**

(Expressed in Canadian Dollars)

9. Share capital and reserve (continued)

(b) Stock options (continued)

As at December 31, 2022, the Company has outstanding share purchase options enabling holders to acquire common shares of the Company as follows:

Grant date	Options outstanding	Options vested	Weighted average remaining life (years)	Exercise price ($)	Expiry date
August 15, 2018	16,250	16,250	0.62	12.00	August 15, 2023
February 28, 2019	10,938	10,938	1.16	9.60	February 28, 2024
August 29, 2019	9,375	9,375	1.66	8.00	August 29, 2024
February 19, 2020	3,750	3,750	2.14	8.00	February 19, 2025
August 10, 2020	18,750	18,750	2.61	8.00	August 10, 2025
September 3, 2020	9,375	9,375	2.68	8.00	September 3, 2025
January 11, 2022	850,000	850,000	4.03	0.70	January 11, 2027
	918,438	918,438	3.86	1.33	

(c) Share purchase warrants

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

	Number of warrants	Weighted average exercise price
Balance, December 31, 2020	**417,225**	**$ 8.00**
Issued (note 9(a))	5,530,000	0.35
Balance, December 31, 2021	**5,947,225**	**$ 0.89**
Expired	(417,225)	8.00
Balance, December 31, 2022	**5,530,000**	**$ 0.35**

A summary of the Company's share purchase warrants as at December 31, 2022 are as follows:

Grant date	Options outstanding	Exercise price ($)	Expiry date
December 23, 2021(1)	5,530,000	0.35	December 23, 2023

(1) The share purchase warrants granted on December 23, 2021 were fair valued using the Black-Scholes Option Pricing Model under the following assumptions average risk-free interest rate – 0.98%; expected life – 2 years; expected volatility – 183%; forfeiture rate – Nil and expected dividends – Nil. The fair value of these warrants was estimated at $574,000.

10. Capital disclosure

The Company defines its capital as its shareholders' equity (deficit). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest in, are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financing's to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2022. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

11. Financial instruments and risk exposures and management

The three levels of the fair value hierarchy are:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair values of cash and cash equivalents, lease liability and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at December 31, 2022 as follows:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash	$ 34,242	$ -	$ -	$ 34,242

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity price risk). Risk management is carried out by the Company's management team, with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance on overall risk management.

<u>Credit risk</u>
Credit risk is the risk of loss associates with a counterparty's inability to fulfil its payment obligations. The Company's cash and cash equivalents is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with a Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

11. Financial instruments and risk exposures and management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. 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. As at December 31, 2022, the Company had working deficit of $114,571 (December 31, 2021 - working capital of $970,575).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rate risk, foreign exchange rate risk and commodity price risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

Foreign exchange risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company is exposed to currency risk through financial assets and liabilities denominated in currencies other than the Canadian dollar, the Company's presentation currency. The Company is not exposed to significant foreign exchange risk as of December 31, 2022.

Commodity price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals.

The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

12. Mineral property interests

(a) Cobalt Mountain property

On February 17, 2019, the Company acquired a 100% interest in the Cobalt Mountain property located in Canada. As per the option agreement, the Company made cash payments of $60,000 and issued 22,500 common shares to the vendors.

In July 2022, the option agreement was terminated, and all right, title and interest in the property was transferred to the vendors.

12. Mineral property interests (continued)

(b) Properties in Australia

On February 28, 2019, the Company purchased 100% of Ridge Street Investments Pty Ltd. which owns two prospective tenements on the eastern flank of the Pilbara Basin. As consideration, the Company issued 100,000 common shares to the vendors and assumed loans of AUD $65,000.

On April 1, 2019, the Company purchased 100% of CTTR Mining Tenements Pty Ltd which owns seven tenements encompassing 525 square kilometers in the Pilbara region of Western Australia. As consideration, the Company issued 87,500 common shares to the vendors and assumed loans of AUD $55,000.

On June 5, 2019, the Company purchased 100% of Golden River Resources Pty Ltd which owns six tenements encompassing 323 square kilometers in the Pilbara region of Western Australia. As consideration, the Company issued 137,500 common shares to the vendors and assumed loans of AUD $69,816.

On September 29, 2020 the Company signed a purchase and sale agreement to sell four of its southern tenements (the "Tenements") within the Company's portfolio of Pilbara gold properties in Australia. New Age Exploration Limited ("New Age") acquired the Tenements for 25 million shares of New Age. The Company recorded the 25 million New Age shares as marketable securities valued at $282,240 on the date of the sale.

In addition, the Company entered into an option and asset sale agreement to option a further four tenements comprising 538 sq.km. to New Age for total consideration of 75 million New Age shares and 37.5 million unlisted New Age options with an exercise price of $0.02, expiring September 28, 2023. New Age will have an exclusive right to exercise the option to acquire the four tenements on or before completion of a 45 day due diligence period. Accordingly, New Age paid an option fee of $140,000 during the year ended December 31, 2020.

On August 26, 2021, the Company entered into a Deed of Variation to the principal agreement of the option and asset sale agreement signed with New Age on September 29, 2020. Under the Deed of Variantion, the consideration for the option to purchase the four tenements comprising 538 sq.km was amended to (a) 7.5 million shares of New Age and (b) the performance payments of 30 million shares of New Age within 5 Business Days of the Purchaser first making a public announcement on the Australian Securities Exchange ("ASX") to the effect that it has delineated a 250 koz gold indicated Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy ("JORC") resource on the Tenements; and a further 30 million Shares within 5 Business Days of New Age first making a public announcement on the ASX to the effect that it has delineated a 500koz gold indicated JORC resource on the Tenements.

On January 12, 2022, the Company has divested itself of all remaining assets in Australia.

(c) Alicia Project

On August 13, 2020, the Company closed the acquisition of Greater Arc for 675,000 common shares and paid a finders' fee of 62,500 common shares of the Company. Greater Arc owns the Alicia high-grade gold and base metals project in Alicia Municipality, Philippines.

The Alicia Project is situated within a Declared Mineral Reservation determined by the Mines and Geosciences Bureau (MGB) in 1995 and is on a granted Exploration Permit.

During the year ended December 31, 2021, the Company sold Inner Arc that owns the Alicia Project for $nil consideration (see note 4).

12. Mineral property interests (continued)

(d) Haines Property

On November 17, 2021, the Company purchased PrivateCo that has an option to purchase a 100% interest in 35 minerals claims in Ontario, Canada (the “Haines Property”).

The Haines Property, located in Haines Township, Ontario is the key asset of PrivateCo. Under the terms of the share exchange agreement, PrivateCo received 1,800,000 common shares of the Company with a fair of $819,000 during the year ended December 31, 2021. The underlying option held by PrivateCo requires the following:

- Three hundred thousand (300,000) common shares being paid to the Vendor by October 18, 2022
- Six hundred thousand (600,000) common shares being paid to the Vendor by October 18, 2023; and
- One hundred thousand dollars ($100,000) being spent on the Haines Property by October 18, 2023.

The Vendor shall retain a two percent (2%) Net Smelter Return (“NSR”) on the claims, of which half of the NSR can be purchased back from the Vendor for CAD$1,000,000.

During the year ended December 31, 2022, the Company relinquished its rights to the Property, issuing none of the common share consideration on the underlying option and thereby canceling the option agreement.

(e) Properties in Namibia

On March 16, 2022, the Company entered into a definitive agreement to acquire an 85% stake in a total of seven (7) licenses located in Namibia. In order to take effect to the definitive agreement, the Company acquired a 100% stake in a holding Company by the name of Plum Investment (Proprietary) Limited for nominal consideration, whereby it subsequently acquired 85% of the outstanding common shares of the following entities incorporated in Namibia to which the licenses were to be transferred to:

- Bergamot Investments (Proprietary) Limited
- Betel Leaf Investments (Proprietary) Limited
- Parsley Investments (Proprietary) Limited
- Catnip Investments (Proprietary) Limited
- Wasabi Investments (Proprietary) Limited
- Clary Sage Investments (Proprietary) Limited
- Chives Investments (Proprietary) Limited (together, the “Namibian Entities”).

Under the terms of the definitive agreement, the Company is to make a payment of US$175,000 and issue a total of 8,800,000 common shares of the Company as consideration, 800,000 of which are to be paid as finder’s fees.

As of December 31, 2022, a total of six (6) of the seven (7) licenses were transferred under the legal title of the Namibian Entities, entitling to vendors and finder to receive a total of 8,653,334 of the 8,800,000 common shares, comprising a total fair value of $1,903,734, and cash consideration of $224,367 (US$172,083) of the US$175,000 as consideration for the licences transferred. As of December 31, 2022, the Company has issued a total of 7,773,140 common shares (see note 9) and paid cash consideration totaling US$154,578. The remaining 880,194 common shares with a fair value of $193,643 has been recognized as shares to be issued and the unpaid cash consideration totaling $23,709 (US$17,505) has been recognized in accounts payable and accrued liabilities in the consolidated statement of financial position as at December 31, 2022.

(Expressed in Canadian Dollars)

13. Loans payable

During the year ended December 31, 2021, the Company repaid the AUD$89,230 loan for $81,784. As at December 31, 2022 and December 31, 2021 the Company had loans payable of $nil ($nil AUD).

During the year ended December 31, 2021, the Company received a loan payable of $180,000 which was due on demand and is subject to an interest rate of 6% per annum. During the year ended December 31, 2021, the Company accrued an interest expense of $6,420, and in December 2021, the Company settled the loan and interest by issuing 745,680 units as part of the December 23, 2021 financing (see note 9).

14. Segmented information

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decisionmaker. The chief operating decisionmaker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Company's CEO. During the year ended December 31, 2022, the Company has one single operating segment, consisting of exploration and evaluation activities.

The Company's had three geographic segments: Canada, Australia and Namibia.

As of December 31, 2022, all long-term assets amounting to $44,664 (December 31, 2021 - $7,141) were held within Canada.

15. Related party transactions

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company define keys management personnel as its CEO, CFO and Board of Directors.

Related party transactions conducted in the normal course of operations are measured at the fair value and approved by the Board of Directors in strict adherence to conflict of interest law and regulations.

The Company incurred the following charges with related parties for the years ended December 31, 2022 and 2021:

	Years Ended December 31, 2022	2021
Consulting - President and CEO	$ 57,500	$ 25,000
Consulting - CFO	42,000	47,000
Rent - Blackjack Silver (common officer)	18,229	-
Stock-based compensation	391,732	-
	$ 509,461	$ 72,000

As at December 31, 2022, included in accounts payable and accrued liabilities is $nil (December 31, 2021 - $1,300) due to key management personnel and companies controlled by directors of the Company.

During the year ended December 31, 2021 the Company issued 303,000 shares to settle $75,750 in debt with related parties.

(Expressed in Canadian Dollars)

16. Income taxes

The reported recovery of income taxes differs from amounts computed by applying the statutory income tax rates to the reported loss before income taxes due to the following:

	2022	2021
Loss before recovery of income taxes	$ (3,504,445)	$ (1,397,300)
	27%	26.5%
Expected income tax (recovery) at statutory rate	(946,200)	(370,286)
Mineral property acquisition	-	232,206
Tax rate changes and other adjustments	(21,140)	-
Share acquisition expensed	576,920	-
Temporary differences and other	110,750	(193,686)
Share-based payment reserve	129,130	-
Tax benefits not recognized	150,540	331,766
Income tax (recovery) expense	$ -	$ -

Deferred taxation

The following table summarizes the components of deferred tax:

	2022	2021
Deferred Tax Assets		
Capital lease obligation	**$ 12,059**	$ -
Deferred Tax Liabilities		
Right to use assets	**(12,059)**	-
	$ -	**$ -**

Unrecognized temporary differences

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

The temporary differences and unused tax losses that give rise to deferred income tax balances are presented below:

As at December 31,	**2022**	**2021**
Non-capital losses carry forward	$ 3,235,140	$ 2,510,607
Share issue costs and other	22,870	116,475
Exploration and evaluation	1,527,120	1,688,515
Other temporary differences	2,100	-
Total unrecognized temporary differences	**$ 4,787,230**	**$ 4,315,597**

The Company has approximately $3,214,500 of non-capital losses available in Canada, which expire between 2034 and 2042 and may be applied against future taxable income for income tax purposes. The Company also has $20,640 of non-capital losses in Namibia that may be carried forward indefinitely.

17. Subsequent events

- On February 10, 2023, the Company closed a private placement, issuing 1,338,000 units at a price of $0.15 per unit for proceeds totaling $200,700, $70,501 of which was collected and recorded as shares to be issued as of December 31, 2022. Each unit is comprised of one common share and one half of one (1/2) common share purchase warrant. Each full Warrant entitles the holder to acquire one share at a price of $0.25 at any time prior to the date which is two years from the date of issuing the Units. As part of the closing, the Company paid $2,400 in cash finder's fees and 16,000 Finders Warrants, each finders warrant entitling the holder to purchase a common share at $0.25 at any time prior to the date which is two years from the date of issuing the units.

- Subsequent to December 31, 2022, the Company granted a total of 200,000 stock options to consultants, exercisable at a price of $0.15 per common share up until March 17, 2028 and vesting 50% immediately on the date of grant, with the remaining 50% to vest on August 3, 2023.

- On February 3, 2023, the Company entered into consulting agreements with two consultants. Under the terms of the consulting agreements, the consultants will provide services to the Company for a term of 12 months, each receiving compensation equal to US$3,900 monthly, 50% of which is to be settled quarterly through the issuance of common shares of the Company, the number of which shall be determined based on the last trading day closing price of the Company's common shares and the prevailing foreign exchange rate for the quarter. Should the Company provide written notice terminating the consulting agreements, the Company shall pay the remaining portion of the monthly payments to the consultant in a lump sum on the date of termination of the agreement. In addition to the cash compensation, the consultants shall be paid a variable success fee, should a specific transaction be successfully announced and completed where the consultant was involved. In connection with the consulting agreements, subsequent to year end, the Company issued 95,908 common shares as compensation for services received up to March 31, 2023.