PURANIUM ENERGY LTD (formerly MONTEREY MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

(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 statements of financial position as at December 31, 2023 and December 31, 2022, and the consolidated statements of loss and other comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

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, 2023 and December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the 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, 2023 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 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.

MNP LLP

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In connection with our audits 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 audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 25, 2024

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, 2023	As at December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 24,959	$ 34,242
Prepaid expenses and deposits	18,325	14,839
Government remittance recoverable	11,614	50,857
Total current assets	54,898	99,938
Right-of-use asset (note 4)	34,739	44,664
Total Assets	$ 89,637	$ 144,602
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities	$ 676,181	$ 207,134
Lease liability (note 5)	9,128	7,375
Total current liabilities	685,309	214,509
Non-Current liabilities		
Lease liability (note 5)	29,473	39,389
Total Liabilities	714,782	253,898
Shareholders' Deficit		
Share capital (note 6(a))	11,823,020	11,666,271
Reserves (notes 6 (b) and (c))	3,143,828	3,021,097
Shares to be issued (notes 9 and 13)	231,660	264,144
Accumulated other comprehensive loss	19,782	(4,097)
Accumulated deficit	(15,805,259)	(15,023,195)
Shareholders' deficit attributed to equity holders of the Company	(586,969)	(75,780)
Non-controlling interest	(38,176)	(33,516)
Total Shareholders' Deficit	(625,145)	(109,296)
Total Liabilities and Shareholders' Deficit	$ 89,637	$ 144,602

Going concern (note 2)
Subsequent events (note 13)

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, 2023 and 2022
(Expressed in Canadian Dollars)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Expenses		
Consulting (note 11)	$ 311,764	$ 113,206
General and administration	193,793	223,828
Investor relations and communication	96,923	323,485
Mineral acquisition and exploration (note 9)	80,015	2,339,549
Share-based payments (note 6(b))	70,615	443,963
Transfer agent and filing fees	17,089	26,907
Travel	12,820	20,576
Depreciation of right of use asset (note 4)	9,925	12,931
Total administrative expenses	(792,944)	(3,504,445)
Net loss before below items	(792,944)	(3,504,445)
Other income	6,220	-
Total net loss for the year	$ (786,724)	$ (3,504,445)
Other comprehensive gain:		
Foreign currency translation adjustment	23,879	(765)
Total comprehensive loss for the year	$ (762,845)	$ (3,505,210)
Loss for the year attributed to:		
Shareholders of the Company	**$ (782,064)**	$ (3,470,929)
Non-controlling interest	**(4,660)**	(33,516)
	(786,724)	(3,504,445)
Total comprehensive loss for the year attributed to:		
Shareholders of the Company	**$ (758,185)**	$ (3,471,694)
Non-controlling interest	**(4,660)**	(33,516)
	(762,845)	(3,505,210)
Basic and diluted loss per share	$ (0.04)	$ (0.27)
Weighted average number of shares outstanding	18,272,824	12,844,049

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, 2021	**9,244,976**	**$ 9,956,180**	**$ -**	**$ 2,577,134**	**$ (3,332)**	**$ (11,552,266)**	**$ -**	**$ 977,716**
Shares issued for exploration consulting services (note (6 and 9)	7,773,140	1,710,091	-	-	-	-	-	1,710,091
Shares issued for acquisition (note 6)	-	-	193,643	-	-	-	-	193,643
Shares to be issued	-	-	70,501	-	-	-	-	70,501
Stock-based payment (note 6)	-	-	-	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)**
Share issuance in private placements (note 6(a))	1,338,000	150,299	(70,484)	-	-	-	-	79,815
Shares to be issued	-	-	38,000	-	-	-	-	38,000
Fair value of warrants and broker warrants	-	-	-	50,416	-	-	-	50,416
Share issuance costs in private placements (note 6(a))	-	(4,100)	-	1,700	-	-	-	(2,400)
Shares issued in debt settlement (note 6(a))	95,908	10,550	-	-	-	-	-	10,550
Stock-based payment (note 6(b))	-	-	-	70,615	-	-	-	70,615
Comprehensive loss for the year	-	-	-	-	23,879	(782,064)	(4,660)	(762,845)
Balance, December 31, 2023	**18,452,024**	**$ 11,823,020**	**$ 231,660**	**$ 3,143,828**	**$ 19,782**	**$ (15,805,259)**	**$ (38,176)**	**$ (625,145)**

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,	2023	2022
Operating Activities		
Net loss for the year	$ (786,724)	$ (3,504,445)
Items not affecting cash:		
Share-based payments	70,615	443,963
Accretion of lease liability	5,742	4,304
Depreciation of right-of-use asset	9,925	12,931
Shares issues for exploration	-	1,903,734
Shares issued for debt settlement	10,550	-
Changes in non-cash operating working capital:		
Prepaid expenses and deposits	(3,486)	(4,856)
Government remittances recoverable	39,243	(30,274)
Accounts payable and accrued liabilities	469,047	157,793
Cash used in operating activities	(185,088)	(1,016,850)
Financing Activities		
Issuance of common shares	127,831	165,000
Shares to be issued	38,000	70,501
Repayment of lease liabilities	(13,905)	(19,669)
Cash provided by financing activities	151,926	215,832
Change in cash and cash equivalents during the year	(33,162)	(801,018)
Impact of foreign exchange rate on cash	23,879	(764)
Cash and cash equivalents , beginning of the year	34,242	836,024
Cash and cash equivalents , end of the year	$ 24,959	$ 34,242
Non-cash investing and financing activities		
Shares issued for mineral interests	$ -	$ 1,903,734
Shares issued for debt settlement	$ 10,550	$ -

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.

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.

On November 17, 2021, the Company purchased 1317152 B.C. Ltd ("PrivateCo") that had an option to purchase a 100% interest in 35 minerals claims in Ontario, Canada (the "Haines Property") (see note 9).

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.

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, 2023, the Company had not yet achieved profitable operations and had accumulated losses of $15,805,259 (December 31, 2022 - $15,023,195). For the year ended December 31, 2023, the Company had a net loss of $786,724 (year ended December 31, 2022 - net loss of $3,504,445). 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. Material 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, 2023. The policies set out below are based on IFRS issued and outstanding as of April 25, 2024, 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.

3. Material accounting policies (continued)

(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.

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:

- Capital reserves – the inputs used in accounting for share-based payment transactions, including stock options and warrants.
- 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;
- 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

3. Material accounting policies (continued)

(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

(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.

3. Material accounting policies (continued)

(f) Financial instruments (continued)

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.

(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.

3. Material accounting policies (continued)

(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.

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 not reflected as additional dilution in the computation of loss per share.

3. Material accounting policies (continued)

(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 not recognized for the following temporary differences: initial recognition of assets and liabilities in a transaction that is not a business combination, that affects neither accounting not tax profit or loss, and that at the time of the transaction does not give rise to equal taxable and deductible temporary differences. Deferred tax is not recognized for the following temporary 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.

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.

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.

(Expressed in Canadian Dollars)

3. Material accounting policies (continued)

(m) New standards adopted during the year

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. Adoption of the amendment did not have a significant impact on the Company's consolidated financial statements.

(n) 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.

4. 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, 2023	December 31, 2022
Balance, beginning of the year	**$ 44,664**	$ 7,141
Addition	**-**	50,454
Depreciation	**(9,925)**	(12,931)
Balance, end of the year	**$ 34,739**	$ 44,664

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

(Expressed in Canadian Dollars)

5. Lease Liabilities

Office lease	**December 31, 2023**	**December 31, 2022**
Balance, beginning of the year	**$ 46,764**	$ 11,675
Additions	**-**	50,454
Interest	**5,742**	4,304
Lease payments	**(13,905)**	(19,669)
Balance, end of the year	**$ 38,601**	$ 46,764

Allocated as:		
Current	**$ 9,128**	$ 7,375
Non-current	**29,473**	39,389
	$ 38,601	$ 46,764

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	$ 9,128	$ 23,554	$ 5,919	$ 38,601

6. Share capital and reserve

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

Issued and Outstanding as at December 31, 2023: 18,452,024 (December 31, 2022 - 17,018,116).

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, $70,484 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. The fair value of the 669,000 warrants were estimated at $50,416 using the Black-Scholes Option Pricing Model under the following assumptions: average risk-free interest rate – 4.09%; expected life – 2 years; expected volatility – 145%; forfeiture rate – Nil and expected dividends – Nil.

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.The fair value of the 16,000 warrants were estimated at $1,700 using the Black-Scholes Option Pricing Model under the following assumptions: average risk-free interest rate – 4.09%; expected life – 2 years; expected volatility – 145%; forfeiture rate – Nil and expected dividends – Nil.

On April 20, 2023, the Company issued 95,908 common shares as compensation for services received up to March 31, 2023 as a value of $10,550.

(Expressed in Canadian Dollars)

6. Share capital and reserve (continued)

(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.

On March 17, 2023, 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. Share-based payments of $19,140 have been recorded in connection with the issuance of these options. The 200,000 options were fair valued using the Black-Scholes Option Pricing Model using the following assumptions: average risk-free interest rate - 2.89%; share price - $0.13; expected life - 5 years; expected volatility – 100%; forfeiture rate - Nil and expected dividends - Nil.

On June 6, 2023, the Company granted 725,000 share purchase options to directors, officers and consultant which have an exercise price of $0.10 per option, expire on June 6, 2028 and vested immediately on the date of grant. Share-based payments of $51,475 have been recorded in connection with the issuance of these options. The 725,000 options were fair valued using the Black-Scholes Option Pricing Model using the following assumptions: average risk-free interest rate - 3.61%; share price - $0.095; 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, 2023 and 2022 are as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2021	**68,438**	**$ 9.21**
Granted	850,000	0.70
Balance, December 31, 2022	918,438	$ 1.33
Granted	925,000	0.11
Expired & cancelled	(59,063)	9.40
Balance, December 31, 2023	**1,784,375**	**$ 0.11**

The weighted average grant date fair value of options granted during the year ended December 31, 2023 is $0.076 (December 31, 2022 - $0.663).

As at December 31, 2023, 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
September 3, 2020	9,375	9,375	1.68	8.00	September 3, 2025
January 11, 2022	850,000	850,000	3.03	0.70	January 11, 2027
March 17, 2023	200,000	200,000	4.21	0.15	March 17, 2028
June 6, 2023	725,000	725,000	4.44	0.10	June 6, 2028
	1,784,375	1,784,375	3.73	0.43	

(Expressed in Canadian Dollars)

6. Share capital and reserve (continued)

(c) Share purchase warrants

The following table reflects the continuity of warrants for the years ended December 31, 2023 and 2022:

	Number of warrants		Weighted average exercise price
Balance, December 31, 2021	**5,947,225**	**$**	**0.89**
Expired	(417,225)		8.00
Balance, December 31, 2022	**5,530,000**	**$**	**0.35**
Issued (note 6(b))	685,000		0.25
Expired	(5,530,000)		0.35
Balance, December 31, 2023	**685,000**	**$**	**0.25**

A summary of the Company's share purchase warrants as at December 31, 2023 are as follows:

Grant date	Options outstanding	Exercise price ($)	Expiry date
February 10, 2023	685,000	0.25	February 10, 2025

7. 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, 2023. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

8. 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.

(Expressed in Canadian Dollars)

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

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at December 31, 2023 as follows:

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash	$ 24,959	$ -	$ -	$ 24,959

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.

<u>Liquidity risk</u>
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, 2023, the Company had working capital deficiency of $630,411 (December 31, 2022 - working capital deficiency of $114,571).

<u>Market risk</u>
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, 2023.

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.

9. 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.

(b) Properties in Australia

In 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.

9. Mineral property interests (continued)

(c) 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.

(d) 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, 2023, the Company has issued a total of 7,773,140 common shares 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.

During the year ended December 31, 2023, EPL-7337 and EPL-7907 came up for renewal. Given the Company's minimal financial resources, Management decided not to pursue renewal.

(Expressed in Canadian Dollars)

10. Segmented information

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker 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, 2023, 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, 2023, all non-current assets amounting to $34,739 (December 31, 2022 - $44,664) were held within Canada.

11. 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, 2023 and 2022:

	Years Ended December 31, 2023	2022
Consulting - President and CEO	$ 60,000	$ 57,500
Consulting - CFO	42,000	42,000
Rent - Blackjack Silver (common officer)	28,198	18,229
Stock-based compensation	27,690	391,732
	$ 157,888	$ 509,461

12. 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:

	2023	2022
Loss before recovery of income taxes	$ (786,724)	$ (3,504,445)
	27%	27%
Expected income tax (recovery) at statutory rate	(212,416)	(946,200)
Tax rate changes and other adjustments	-	(21,140)
Share acquisition expensed	-	576,920
Temporary differences and other	(4,364)	110,750
Share-based payment reserve	19,405	129,130
Tax benefits not recognized	197,375	150,540
Income tax (recovery) expense	$ -	$ -

(Expressed in Canadian Dollars)

12. Income taxes (continued)

Deferred taxation

The following table summarizes the components of deferred tax:

	2023	2022
Deferred Tax Assets		
Capital lease obligation	**$ 9,379**	$ 12,059
Deferred Tax Liabilities		
Right to use assets	**(9,379)**	(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,	**2023**	**2022**
Non-capital losses carry forward	$ 3,882,233	$ 3,235,140
Share issue costs and other	12,925	22,870
Exploration and evaluation	1,607,135	1,527,120
Other temporary differences	3,862	2,100
Total unrecognized temporary differences	**$ 5,506,155**	**$ 4,787,230**

The deferred tax liability balance for ROU asset was offset by the capital lease deferred tax asset balance, as the amount is immaterial. The remaining full DTA balance is unrecognized. Namibian losses of $20,637 may be carried forward indefinately.

The Company's Canadian non-capital income tax losses expire as follows:

2034	$ 1,000
2035	10,001
2036	73,378
2037	135,829
2038	206,065
2039	583,630
2040	970,086
2041	555,079
2042	679,433
2043	647,096
	$ 3,861,597

13. Subsequent events

On February 1st, 2024, the Company announced that it had closed its private placement offering. As part of the closing, the Company issued 9,318,750 units for gross proceeds of $745,500. Each Unit is comprised of one common share and one half common share purchase warrant, with each full warrant entitling the holder to purchase one additional common share at a price of $0.12 for a period of thirty-six months from the closing of the offering.

The Company also completed a shares for debt transaction to improve its financial position by reducing its existing liabilities, resulting in the settlement of $325,761 of debt through the issuance of 4,072,010 common shares.