AMERICAN PACIFIC
MINING CORP

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
American Pacific Mining Corp.

Opinion

We have audited the accompanying consolidated financial statements of American Pacific Mining Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 in our audit is sufficient and appropriate to provide a basis for our opinion.

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 year ended. 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.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 6 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $35,616,173 as of December 31, 2023. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements and expenditure requirements.
- Assessing the Company's rights to explore E&E Assets.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Acquisition of Clearview Gold Inc.

As described in Note 3 to the consolidated financial statements, the Company completed an asset acquisition, acquiring Clearview Gold Inc. ("Clearview") in exchange for consideration valued at $4,300,555.

The principal considerations for our determination that the acquisition of Clearview is a key audit matter was that the transaction constituted a significant and material event during the year ended December 31, 2023. In addition, there was judgment by management when determining the fair value of the net assets acquired and the consideration paid, as well as the determination that the acquisition was an asset acquisition. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of fair value of the consideration and net assets acquired, as well as the judgment that the acquisition was an asset acquisition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures include, among others:

- Reviewing the arrangement agreement to gain an understanding of the key terms and conditions, including an assessment that the transaction was an asset acquisition;
- Agreeing the consideration to supporting documentation;
- Evaluating management's assessment of the fair value of the consideration and net assets acquired;
- Testing, on a sample basis, the items making up transaction costs; and
- Assessing the adequacy of the financial statement disclosures.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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, 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 IFRS Accounting 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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 year ended 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 Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 29, 2024

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American Pacific Mining Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note(s)	December 31, 2023 $	December 31, 2022 $
ASSETS			
Current assets			
Cash and cash equivalents	4	2,858,690	6,036,504
Amounts receivable		144,508	97,334
Other receivables	6	836,334	-
Prepaid expenses		174,600	248,256
		4,014,132	**6,382,094**
Non-current assets			
Reclamation deposits	6	147,043	164,073
Property and equipment	5	1,470,850	199,852
Exploration and evaluation assets	6	35,616,173	36,215,068
		37,234,066	**36,578,993**
TOTAL ASSETS		**41,248,198**	**42,961,087**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	761,786	895,461
Current portion of lease obligations	7	452,374	29,797
		1,214,160	**925,258**
Non-current liabilities			
Lease obligations	7	766,729	94,111
Provision		155,743	-
		922,472	**94,111**
TOTAL LIABILITIES		**2,136,632**	**1,019,369**
SHAREHOLDERS' EQUITY			
Share capital	9	65,118,945	59,705,367
Warrants reserve	9	1,931,582	1,425,310
Stock options reserve	9	5,048,444	4,216,809
Accumulated deficit		(32,633,970)	(23,565,126)
Accumulated other comprehensive income (loss)		(353,435)	159,358
TOTAL SHAREHOLDERS' EQUITY		**39,111,566**	**41,941,718**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**41,248,198**	**42,961,087**

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These consolidated financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Warwick Smith Director **/s/ Ken Cunningham Director**

American Pacific Mining Corp.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		For the years ended	
		December 31, 2023	December 31, 2022
	Note(s)	$	$
Expenses (income)			
Consulting fees	10	588,637	414,895
Depreciation	5	39,017	7,203
Exploration and evaluation costs	6	11,168,489	4,920,570
Finance income		(112,664)	(35,996)
Finance costs	7, 8	422,196	2,482
Foreign exchange loss		602,634	534,319
Loss (gain) on dilution in ownership of joint operation	6	(7,208,128)	391,059
General and administrative expenses		427,156	328,972
Management and directors' fees	10	54,041	63,127
Professional fees	10	532,461	408,954
Project evaluation costs		22,757	54,075
Share-based payments	9, 10	1,372,440	1,827,754
Shareholder information and investor relations		841,348	702,602
Transfer agent, regulatory and filing fees		166,005	128,189
Travel		152,455	349,536
Total expenses		**(9,068,844)**	**(10,097,741)**
Income tax recovery	14	-	6,729
Loss		**(9,068,844)**	**(10,091,012)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(512,793)	508,065
Loss and comprehensive loss		**(9,581,637)**	**(9,582,947)**
Basic and diluted loss per share for the year attributable to common shareholders ($ per common share)		**(0.05)**	**(0.08)**
Weighted average number of common shares outstanding - basic and diluted		**188,768,827**	**127,930,998**

American Pacific Mining Corp.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Note(s)	Share capital #	Share capital $	Warrants reserve $	Stock options reserve $	Accumulated deficit $	Accumulated other comprehensive income (loss) $	TOTAL $
Balance as of December 31, 2022		**176,773,937**	**59,705,367**	**1,425,310**	**4,216,809**	**(23,565,126)**	**159,358**	**41,941,718**
Shares issued for cash - exercise of warrants	9	8,181,964	1,309,114	-	-	-	-	**1,309,114**
Shares issued for cash - exercise of stock options	9	132,150	44,931	-	-	-	-	**44,931**
Shares issued for acquisition of Clearview Gold Inc.	3, 9	11,500,000	4,025,000	-	-	-	-	**4,025,000**
Reclassification of grant-date fair value on exercise of stock options	9	-	34,533	-	(34,533)	-	-	**-**
Warrant revaluation	9	-	-	506,272	-	-	-	**506,272**
Share-based payments	9	-	-	-	866,168	-	-	**866,168**
Loss and comprehensive loss		-	-	-	-	(9,068,844)	(512,793)	**(9,581,637)**
Balance as of December 31, 2023		**196,588,051**	**65,118,945**	**1,931,582**	**5,048,444**	**(32,633,970)**	**(353,435)**	**39,111,566**

	Note(s)	Share capital #	Share capital $	Warrants reserve $	Stock options reserve $	Accumulated deficit $	Accumulated other comprehensive income (loss) $	TOTAL $
Balance as of December 31, 2021		**117,764,209**	**39,568,281**	**508,734**	**1,810,884**	**(13,474,114)**	**(348,707)**	**28,065,078**
Shares issued for cash - exercise of stock options	9	275,000	110,000	-	-	-	-	**110,000**
Shares issued for acquisition of Constantine Metal Resources Ltd.	3, 9	58,734,728	19,969,808	-	-	-	-	**19,969,808**
Fair value of warrants issued for acquisition of Constantine Metal Resources Ltd.	3, 9	-	-	916,576	-	-	-	**916,576**
Fair value of stock options issued for acquisition of Constantine Metal Resources Ltd.	3, 9	-	-	-	635,449	-	-	**635,449**
Reclassification of grant-date fair value on exercise of stock options	9	-	57,278	-	(57,278)	-	-	**-**
Share-based payments	9	-	-	-	1,827,754	-	-	**1,827,754**
Loss and comprehensive loss		-	-	-	-	(10,091,012)	508,065	**(9,582,947)**
Balance as of December 31, 2022		**176,773,937**	**59,705,367**	**1,425,310**	**4,216,809**	**(23,565,126)**	**159,358**	**41,941,718**

American Pacific Mining Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

		For the years ended	
	Note(s)	December 31, 2023 $	December 31, 2022 $
Cash flow from (used in)			
OPERATING ACTIVITIES			
Loss		(9,068,844)	(10,091,012)
Accretion of lease obligation	7	149,266	2,477
Depreciation	5	677,661	21,516
Interest of loan payable	8	266,967	-
Share-based payments	9	1,372,440	1,827,754
Dilution loss (gain) on investment in joint operations	6	(7,208,128)	391,059
Unrealized loss on foreign exchange		587,294	-
Net changes in non-cash working capital items:			
Amounts receivable		(49,017)	(46,625)
Other receivables		(685,846)	-
Prepaid expenses		71,530	232,932
Accounts payable and accrued liabilities		(45,117)	(398,431)
Cash flow used in operating activities		**(13,931,794)**	**(8,060,330)**
INVESTING ACTIVITIES			
Acquisition costs of exploration and evaluation assets	6	(203,065)	(230,120)
Net cash paid on asset acquisitions	3	(275,483)	(501,504)
Cash paid for reclamation deposits	6	(6,467)	-
Purchase of property and equipment	5	(530,670)	(3,685)
Recovery of exploration and evaluation assets	6	60,635	31,663
Cash flow used in investing activities		**(955,050)**	**(703,646)**
FINANCING ACTIVITIES			
Advances from the Joint Operator	6	11,204,104	-
Interest paid on loan payable	8	(266,967)	-
Lease payments	7	(557,194)	(7,106)
Proceeds on exercise of options	9	44,931	110,000
Proceeds on exercise of warrants	9	1,309,114	-
Proceeds on issuance of common shares, net of cash share issue costs	9	-	(14,846)
Cash flow provided by financing activities		**11,733,988**	**88,048**
Effects of exchange rate changes on cash and cash equivalents		(24,958)	(373,243)
Decrease in cash and cash equivalents		**(3,177,814)**	**(9,049,171)**
Cash and cash equivalents, beginning of year	4	**6,036,504**	**15,085,675**
Cash and cash equivalents, end of year	4	**2,858,690**	**6,036,504**

Supplemental cash flow information			
Fair value of stock options issued for asset acquisitions	3	-	635,449
Fair value of warrants issued for asset acquisitions	3	-	916,576
Initial recognition of right-of-use assets and lease obligations	7	1,856,258	-
Reclassification of grant-date fair value on exercise of stock options	9	34,533	57,278
Shares issued for asset acquisition	3, 9	4,025,000	19,969,808
Cash paid for income taxes		-	-
Cash paid for interest	7, 8	416,356	-

1) CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

American Pacific Mining Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017, and is in the business of mineral exploration.

The Company's head office, principal address, registered address and records office is Suite 910 - 510 Burrard Street, Vancouver, B.C., V6C 3A8, Canada.

The Company's shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "USGD". On February 25, 2022, the Company's common shares began trading on the OTCQX Best Market (the "OTCQX") under the ticker symbol of "USGDF".

As of the date of the consolidated financial statements, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. As at December 31, 2023, the Company had working capital of $2,799,972 (2022 – $5,456,836) and an accumulated deficit of $32,633,970 (2022 – $23,565,126). The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to fund operating costs over the next twelve months with cash and cash equivalents and through further equity financings. Management believes that the Company has sufficient working capital to meet its liabilities for the next twelve months.

Financings

On April 16, 2024, the Company completed a non-brokered private placement through the issuance of 22,500,000 units at a price of $0.20 per unit for gross proceeds of $4,500,000. Each unit consists of one common share in the capital of the Company and one-half of one transferable share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 until April 16, 2026. In connection with the non-brokered private placement, the Company paid finder's fees of $191,450 in cash and issued 957,250 finder's warrants. The finder's warrants are non-transferable, exercisable at $0.30 for one common share of the Company until April 16, 2026 and are subject to the 4 month hold period as required by Canadian securities laws.

Acquisition of Clearview Gold Inc. ("CGI") (Note 3)

On April 27, 2023, the Company entered into a definitive agreement (the "CGI Agreement"), pursuant to which the Company acquired all of the issued and outstanding common shares of CGI (the "CGI Acquisition"). The CGI Acquisition was completed on May 17, 2023 (the "CGI Closing Date"). Under the terms of the CGI Agreement, on the CGI Closing Date, the Company paid $200,000 and issued 11.5 million common shares of the Company.

These consolidated financial statements of the Company for the year ended December 31, 2023 were approved by the Board of Directors on April 29, 2024.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

Statement of compliance

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

Basis of preparation

These consolidated financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars ("$" or "CA$") which is also the parent company's functional currency. The functional currency of the Company's subsidiaries, except for Constantine Metal Resources Ltd. and Clearview Gold Inc., is the United States dollar ("U.S. Dollar"). The functional currency of Constantine Metal Resources Ltd. and Clearview Gold Inc. is CA$.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS that are published at the time of preparation and that are effective on December 31, 2023.

Basis of consolidation

These consolidated financial statements comprise the accounts of the Company and the following subsidiaries of the Company:

- American Pacific Mining (US) Inc. ("APM US"), a company incorporated under the laws of Nevada (ownership – December 31, 2023 –100% and December 31, 2022 – 100%);
- Broadway Gold Mining Ltd. ("Broadway"), a company incorporated under the laws of Montana (ownership – December 31, 2023 –100% and December 31, 2022 – 100%);
- Constantine Metal Resources Ltd., a company incorporated under the Business Corporations Act (British Columbia) (ownership – December 31, 2023 –100% and December 31, 2022 – 100%) (Note 3);
- Constantine Metals USA Inc., a company incorporated under the laws of Arizona (ownership – December 31, 2023 – 100% and December 31, 2022 – 100%) (Note 3);
- Constantine North Inc., a company incorporated under the laws of Alaska ((ownership – December 31, 2023 – 100% and December 31, 2022 – 100%) (Note 3);
- Constantine Mining LLC, a company incorporated under the laws of Delaware, registered in the state of Alaska (ownership – December 31, 2023 – 31.53% and December 31, 2022 – 40.78%) (Notes 3 and 6);
- Clearview Gold Inc. a company incorporated under the Business Corporations Act (British Columbia) (ownership – December 31, 2023 –100% and December 31, 2022 – nil%); and
- CV Gold Inc. a company incorporated under the laws of Nevada (ownership – December 31, 2023 – 100% and December 31, 2022 – nil%) (Notes 3).

All subsidiaries have a reporting date of December 31.

Subsidiaries

A subsidiary is an entity over which the Company has power to govern the operating and financial policies in order to obtain benefits from its activities. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

Acquisitions and disposals

The results of entities acquired during the reporting period are brought into the consolidated financial statements from the date the control is transferred; the results of entities sold during the reporting period are included in the consolidated financial statements for the period up to the date the control is ceased. Gains or losses on disposal are calculated as the difference between the sale proceeds (net of expenses) and the net assets attributable to the interest which has been sold. Where a disposal represents a separate major line of business or geographical area of operations, the net results attributable to the disposed entity are shown separately in the statement of loss and comprehensive loss.

Critical accounting estimates

The information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are as follows:

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to commence and complete development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets. Ownership in exploration and evaluation assets involves certain inherent risks, including geological, metal prices, operating costs, and permitting risks. Many of these risks are outside the Company's control. The ultimate recoverability of the amounts capitalized for the exploration and evaluation assets is dependent upon the delineation of economically recoverable ore reserves, obtaining the necessary financing to complete their development, obtaining the necessary permits to operate a mine, and realizing profitable production or proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment in its exploration and evaluation assets have been based on current and expected conditions. However, it is possible that changes could occur which could adversely affect management's estimates and may result in future write downs of exploration and evaluation assets carrying values.

Deferred Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates (continued)

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Measurement of liabilities for share-based payment arrangements

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such estimates and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Shares issued for non-cash consideration

The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration, specifically relating to shares issued for services and for debt settlement. The Company measures the goods or services received at the more reliable measure of the fair value of the goods and services received, or the fair value of the equity instruments granted. When no market price is available, a valuation technique is used to determine what price the equity instruments would have been on the measurement date in an arm’s length transaction between knowledgeable, willing parties.

Business combinations

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. During the years ended December 31, 2023 and 2022, the Company completed the acquisition of CMR and CGI (Note 3) and concluded that the transactions did not qualify as a business combination under IFRS 3, “Business Combinations”.

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Functional currency

In accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”, management determined that the functional currency of the Company and Constantine Metal Resource Ltd. is the Canadian dollar, as this is the currency of the primary economic environment in which the Company operates. The functional currency of the Company’s other subsidiaries is the US dollar.

Going concern

The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates (continued)

Classification of joint arrangements

In accordance with IAS 21 "Joint Arrangements", management determined that the joint venture agreements in relation to Constantine Mining LLC ("CML") (Note 6) is a joint operation as the LLC require unanimous consent from all parties for all relevant activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value, net of bank overdrafts which are repayable on demand.

Foreign exchange

Translation of foreign transactions and balances into the functional currency

Foreign currency transactions are translated into the functional currency of the underlying entity using appropriate average rates of exchange. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange in effect at the end of each reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

Translation of the functional currency into the presentation currency

The results of foreign operations which have a different functional currency of the Company are translated to Canadian dollars at appropriate average rates of exchange during the year and are included in other comprehensive income (loss). The assets and liabilities of foreign operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of foreign operation's assets and liabilities to Canadian dollars at period end are recognized in accumulated other comprehensive income (loss) as a foreign currency translation adjustment. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale.

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based payments expense based on the estimated fair value of the options. A fair value measurement is made for each vesting installment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based payments and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to share capital.

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

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Income taxes

Income tax is recognized in profit or 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 recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property and equipment

Property and equipment is initially recognized at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items. The corresponding liability is recognized within provisions. All items of property and equipment are subsequently carried at depreciated cost less impairment losses, if any.

Depreciation is provided on all items of property and equipment to write off the carrying value of items over their expected useful economic lives. Depreciation is provided on a straight-line basis over the estimated useful lives of the property and equipment at the following annual rates:

- Building - 5 years
- Computer equipment - 30%

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset as appropriate, only when it’s probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replacement part is derecognized. All other repairs and maintenance are charged to the consolidated statements of loss during the financial year in which they are incurred.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Exploration and evaluation assets

Exploration and evaluation assets

Exploration and evaluation assets include acquired mineral rights for mineral exploration properties held by the Company. The amount of consideration paid (in cash or share value) to acquire or maintain mineral rights is capitalized. The amounts shown for exploration and evaluation assets represent costs of acquisition, incurred to date, less recoveries, and do not necessarily reflect present or future values. These costs will be written off if the exploration and evaluation assets are abandoned or sold. Included in the cost of exploration and evaluation assets is the cost of any estimated decommissioning liability. The Company has classified exploration and evaluation assets as intangible in nature.

At each reporting period the Company performs an analysis to determine whether any property has adequately demonstrated technical feasibility and economic viability in order to support transition from Exploration to Development phase. If a project has satisfied these criteria and management has decided to proceed with development, then the exploration project is tested for impairment and transferred to property and equipment. Subsequent expenditures on the property are capitalized. Once a project in development is available for use in the manner intended by the management of the Company it is transitioned to Commercial Production phase. At that time depletion of costs capitalized on project put into commercial production will be recorded using the unit-of-production method based upon reserves.

Exploration and evaluation costs

Exploration and evaluation costs, other than those described above, are expensed as incurred until such time as mineral reserves are proven or probable, permits to operate the mineral resource property are received and financing to complete development has been obtained. Following confirmation of mineral reserves, receipt of permits to commence mining operations and obtaining necessary financing, exploration and evaluation costs are capitalized as deferred development expenditures included within equipment.

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than it's carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work 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 rehabilitation asset is depreciated on the same basis as the related asset.

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 asset with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

For the years presented the Company has no provisions for environmental rehabilitation.

Loss per share

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year. The diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

Financial instruments

- **Financial assets**

  Classification and measurement

  The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

  The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

  Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument by-instrument basis) to designate them as at FVTOCI.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Financial instruments (continued)

- **Financial assets (continued)**

  Financial assets at FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges. As of December 31, 2023 and 2022, the Company has no financial assets classified as FVTPL.

  Financial assets at FVTOCI – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. As at December 31, 2023 and 2022, the Company has no financial assets classified as FVOCI.

  Financial assets at amortized cost – Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. As of December 31, 2023 and 2022, the Company has classified its cash and cash equivalents, amounts receivable, other receivables and reclamation deposits as amortized cost

  Impairment of financial assets at amortized cost
  The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision.

  Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

  Derecognition of financial assets
  Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Financial instruments (continued)

- **Financial liabilities**
  The Company classifies its financial liabilities into one of two categories as follows:

  Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

  Amortized cost – This category consists of liabilities carried at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. As of December 31, 2023 and 2022, the Company has classified its accounts payable and accrued liabilities and lease obligations as other financial liabilities

Refer to Note 13 for further disclosures.

Interest in joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, related to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Company or its subsidiaries undertakes its activities under joint operations, the Company as a joint operator recognizes in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with IFRS 11 *"Joint Arrangements"* applicable to the particular assets, liabilities, revenue and expenses.

When the Company or its subsidiaries transacts with a joint operation in which the Company or its subsidiaries is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Company's consolidated financial statements only to the extent of other parties' interest in the joint operation.

When the Company or its subsidiaries transacts with a joint operation in which the Company or its subsidiaries is a joint operator (such as a purchase of assets), the Company does not recognize its share of the gains and losses until it resells those assets to a third party.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

New accounting standards and pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2024. The Company does not expect that any new or amended standards or interpretations that are effective for annual periods beginning on or after January 1, 2024 will have a significant impact on the Company's results of operations or financial position.

Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

Definition of Accounting Estimates (Amendment to IAS 8)

In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

There was no material impact upon adoption of the above accounting standards.

Classification of Liabilities as Current or Non-Current

The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

The Company does not anticipate that the adoption of this standard will have a material impact on the consolidated financial statements.

(Expressed in Canadian Dollars)

3) ASSET ACQUSITIONS

Acquisition of Constantine Metal Resources Ltd ("Constantine")

On August 14, 2022, the Company and Constantine entered into a definitive agreement (the "Definitive Agreement") pursuant to which the Company acquired all of the issued and outstanding common shares of Constantine (the "Acquisition").

The Company closed the Acquisition with Constantine on October 31, 2022 by issuing 58,734,728 common shares of the Company with fair value of $19,969,808.

In addition, the Company issued 19,224,914 replacement warrants and 3,232,168 replacement options with a fair value of $916,576 and $635,449, respectively.

The Company estimated the grant date fair value of the replacement warrants and replacement options, using the Black-Scholes option pricing model with the following weighted average assumptions:

	Replacement warrants	Replacement options
Number of warrants / options granted	19,224,914	3,232,168
Risk-free interest rate	3.92%	3.71%
Expected annual volatility	92%	108%
Expected life (in years)	0.80	2.91
Expected dividend yield	-	-
Grant date fair value per warrant ($)	0.05	0.20
Share price at grant date ($)	0.34	0.34

The Acquisition constitutes an asset acquisition as Constantine does not meet the definition of a business, as defined in IFRS 3, "Business Combinations" and is accounted for in accordance with guidance provided in IFRS 2, "Share-Based Payment".

In connection with the Acquisition, the Company incurred transaction costs of $1,036,835 (Note 10).

(Expressed in Canadian Dollars)

3) ASSET ACQUSITIONS (CONTINUED)

Acquisition of Constantine Metal Resources Ltd ("Constantine") (continued)

The total consideration of $21,521,833 and the transaction costs of $1,036,835 associated with the Transaction has been allocated as follows:

	$
Cash	535,331
Amounts receivable	39,193
Prepaid expenses	352,831
Reclamation deposits	115,913
Property and equipment	171,872
Exploration and evaluation assets*	22,141,870
Accounts payable and accrued liabilities	(669,805)
Lease obligation	(128,537)
Fair value of net assets acquired	**22,558,668**
Consideration comprised of:	
Fair value of common shares issued	19,969,808
Fair value of replacement warrants issued	916,576
Fair value of replacement options issued	635,449
Transaction costs	1,036,835
	22,558,668

* $20,108,787, $1,688,270 and $344,813 was allocated Palmer Property, Haines Block and Big Nugget Property, respectively Note 6).

Acquisition of CGI

As discussed in Note 1, on May 17, 2023, the Company closed the CGI Acquisition by issuing 11,500,000 common shares of the Company (the "Consideration Shares") with fair value of $4,025,000 and paid cash of $200,000. In addition, the Company will be required to issue 4,500,000 common shares pursuant to specific performance criteria (Note 6).

The Consideration Shares are subject to a voluntary hold period from the date of issuance pursuant to which:

i. 25% of the Consideration Shares were released on the CGI Closing Date;
ii. 25% of the Consideration Shares will be released on the four-month anniversary of the CGI Closing Date;
iii. 25% of the Consideration Shares will be released on the eight-month anniversary of the CGI Closing Date; and
iv. 25% of the Consideration Shares will be released on the twelve-month anniversary of the CGI Closing Date.

The Company determined the fair value of the common shares based on the market price on the date of issuance. The Company assessed no significant discount for lack of marketability associated with the voluntarily hold period.

The Acquisition constitutes an asset acquisition as CGI does not meet the definition of a business, as defined in IFRS 3, "Business Combinations" and is accounted for in accordance with guidance provided IFRS 2, "Share-Based Payment".

In connection with the CGI Acquisition, the Company incurred transaction costs of $75,555.

(Expressed in Canadian Dollars)

3) ASSETS ACQUISITION (CONTINUED)

Acquisition of CGI (continued)

The total consideration of $4,225,000 and the transaction costs of $75,555 associated with the CGI Acquisition has been allocated as follows:

	$
Cash	72
Amounts receivable	354
Exploration and evaluation assets*	4,300,129
Fair value of net assets acquired	**4,300,555**
Consideration comprised of:	
Fair value of common shares issued	4,025,000
Cash paid	200,000
Transaction costs	75,555
	4,300,555

* $115,672, $2,124,930 and $2,059,527was allocated Alpha Property, Danny Boy Mine Property and Ziggurat Project, respectively (Note 6).

4) CASH AND CASH EQUIVALENTS

	December 31, 2023 $	December 31, 2022 $
Cash	1,238,691	1,978,821
Cash equivalents	1,619,999	4,057,683
	2,858,690	**6,036,504**

5) PROPERTY AND EQUIPMENT

	Building $	Computer equipment $	Field equipment $	Right-of-use assets (Note 7) $	Total $
COST					
As of December 31, 2022	64,272	12,878	43,790	128,537	**249,477**
Addition	-	3,437	826	2,382,665	**2,386,928**
Change in interest in the Joint Operation	-	-	(12,644)	(557,344)	**(569,988)**
Effect of movements on exchange rates	(1,395)	(82)	(725)	2,021	**(181)**
As of December 31, 2023	**62,877**	**16,233**	**31,247**	**1,955,879**	**2,066,236**
ACCUMULATED DEPRECIATION					
As of December 31, 2022	(32,135)	(9,497)	(1,873)	(6,120)	**(49,625)**
Addition	(12,811)	(2,295)	(11,258)	(651,297)	**(677,661)**
Change in interest in the Joint Operation	-	-	5,247	118,774	**124,021**
Effect of movements on exchange rates	936	31	287	6,625	**7,879**
As of December 31, 2023	**(44,010)**	**(11,761)**	**(7,597)**	**(532,018)**	**(595,386)**
Net book value as of December 31, 2023	**18,867**	**4,472**	**23,650**	**1,423,861**	**1,470,850**

(Expressed in Canadian Dollars)

5) PROPERTY AND EQUIPMENT (CONTINUED)

	Building	Computer equipment	Field equipment	Right-of-use assets (Note 7)	Total
	$	$	$	$	$
COST					
As of December 31, 2021	60,269	9,076	-	-	**69,345**
Addition (cost)	-	3,685	-	-	**3,685**
Acquired through the acquisition (Note 3)	-	-	43,335	128,537	**171,872**
Effect of movements on exchange rates	4,003	117	455	-	**4,575**
As of December 31, 2022	**64,272**	**12,878**	**43,790**	**128,537**	**249,477**
ACCUMULATED DEPRECIATION					
As of December 31, 2021	(18,081)	(8,397)	-	-	**(26,478)**
Addition	(12,354)	(1,100)	(1,942)	(6,120)	**(21,516)**
Effect of movements on exchange rates	(1,700)	-	69	-	**(1,631)**
As of December 31, 2022	**(32,135)**	**(9,497)**	**(1,873)**	**(6,120)**	**(49,625)**
Net book value as of December 31, 2022	**32,137**	**3,381**	**41,917**	**122,417**	**199,852**

During the year ended December 31, 2023, the Company, through its joint operation (Constantine Mining LLC ("CML") (Note 6)), entered into a lease agreement for camp equipment used for the Palmer Project (Note 7). CML incurred delivery and installation fees of US$966,600, which were capitalized as right-of-use assets. Including the fair value of the lease term (US$3,408,502) and the delivery and installation fees, the Company initially recognized $2,382,665 as right-of-use assets based on its proportionate interest in CML (Note 6). The right-of-use assets will be depreciated over the lease term.

During the year ended December 31, 2023, the Company charged $677,661 (December 31, 2022 – $21,516) in depreciation of which $638,644 was recognized as exploration and evaluation costs in the statements of loss and comprehensive loss (Note 6) (December 31, 2023 – $14,313).

(Expressed in Canadian Dollars)

6) EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets

Project / Property	Balance as of December 31, 2022 $	Acquisition costs $	Claim maintenance fees $	Option payments received $	Change in interest in the Joint Operation $	Effect of movements in exchange rate $	Balance as of December 31, 2023 $
Alpha	-	-	19,481	-	-	(2,183)	17,298
Big Nugget	344,813	-	6,830	-	-	(127)	351,516
Danny Boy	-	2,150,065	25,417	-	-	(1,877)	2,173,605
Gooseberry	38,859	-	10,359	-	-	(7,034)	42,184
Haines Block	1,688,270	-	-	-	(5,534)	(18,594)	1,664,142
Madison	8,770,166	-	-	(33,806)	-	(83,657)	8,652,703
Palmer	20,108,787	-	-	-	(4,561,225)	(245,180)	15,302,382
Red Hill	106,044	33,652	19,309	-	-	(3,144)	155,861
South Lida	644,161	-	15,259	-	-	(13,907)	645,513
Tuscarora	4,513,968	-	72,758	-	-	(98,866)	4,487,860
Ziggurat	-	2,150,064	-	(26,829)	-	(126)	2,123,109
	36,215,068	**4,333,781**	**169,413**	**(60,635)**	**(4,566,759)**	**(474,695)**	**35,616,173**

Project / Property	Balance as of December 31, 2021 $	Acquisition costs $	Claim maintenance fees $	Option payments received $	Change in interest in the Joint Operation $	Effect of movements in exchange rate $	Balance as of December 31, 2022 $
Big Nugget	-	344,813*	-	-	-	-	344,813
Gooseberry	9,537	-	9,854	-	-	19,468	38,859
Haines Block	-	1,688,270*	-	-	-	-	1,688,270
Madison	8,641,933	-	-	(31,663)	-	159,896	8,770,166
Palmer	-	20,108,787*	-	-	-	-	20,108,787
Red Hill	49,608	32,537	18,540	-	-	5,359	106,044
South Lida	561,998	-	44,039	-	-	38,124	644,161
Tuscarora	4,112,429	-	124,726	-	-	277,263	4,513,968
	13,375,505	**22,174,407**	**196,709**	**(31,663)**	**-**	**500,110**	**36,215,068**

* See Note 3

(Expressed in Canadian Dollars)

6) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Exploration and evaluation costs incurred by the Company during the years ended December 31, 2023 and 2022

During the year ended December 31, 2023

	Gooseberry project	Madison project	Tuscarora project	Palmer Property	Danny Boy Mine Property	Others	TOTAL
	$	$	$	$	$	$	$
Consulting	211,277	62,163	46,183	1,791,970	55,514	-	2,167,107
Depreciation	-	12,809	-	625,835	-	-	638,644
Drilling	786,509	-	-	2,871,344	-	-	3,657,853
Field	5,952	47,930	5,869	1,225,757	80	988	1,286,576
Field office administration	3,213	-	2,334	721,008	-	-	726,555
Field technicians	-	95,622	-	-	-	-	95,622
Geological	57,053	1,687	12,215	497,503	13,963	-	582,421
Management fees	-	-	-	652,818	-	-	652,818
Reclamation	-	-	-	165,563	-	-	165,563
Recoveries	-	-	-	(1,625,680)	-	-	(1,625,680)
Royalty payments	-	-	75,586	22,247	-	6,749	104,582
Sample analysis	1,539	-	3,591	-	23,416	-	28,546
Transportation	-	-	455	796,522	-	-	796,977
Travel	10,147	2,189	5,360	159,348	10,637	-	187,681
Technical studies	-	-	-	1,696,707	-	-	1,696,707
Social responsibility	-	-	-	6,517	-	-	6,517
	1,075,690	**222,400**	**151,593**	**9,607,459**	**103,610**	**7,737**	**11,168,489**

During the year ended December 31, 2022

	Gooseberry project	Madison project	South Lida project	Tuscarora project	Palmer Property	TOTAL
	$	$	$	$	$	$
Consulting	67,652	64,768	9,736	113,708	359,127	614,991
Depreciation	-	12,354	-	-	1,959	14,313
Drilling	338,616	-	-	1,245,775	51,722	1,636,113
Equipment rental	16,797	-	-	64,090	-	80,887
Field	88,357	16,267	-	13,516	50,734	168,874
Field office administration	32,537	-	-	35,725	63,049	131,311
Field technicians	-	168,801	-	-	-	168,801
Geological	323,780	-	11,461	658,224	69,406	1,062,871
Royalty payments	-	-	-	65,075	5,852	70,927
Sample analysis	216,864	-	-	448,354	-	665,218
Transportation	2,094	-	-	153,902	55,209	211,205
Technical studies	-	-	-	-	95,059	95,059
	1,086,697	**262,190**	**21,197**	**2,798,369**	**752,117**	**4,920,570**

6) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

South Lida Project (Nevada, USA)
The Company holds 100% in the South Lida Project, originally acquired from related parties.

The Company is required to pay annual claim maintenance fees for the South Lida Project.

During the year ended December 31, 2022, the Company paid $44,039 (US$33,837) in annual maintenance fees.

During the year ended December 31, 2023, the Company paid $15,259 (US$11,336) in annual maintenance fees.

Tuscarora Project (Nevada, US)
On November 6, 2017, the Company entered into an option agreement (the "Tuscarora Option Agreement") with Novo Resources Corp. The Tuscarora Option Agreement was amended on December 18, 2019 (the "Amended Tuscarora Option Agreement"). Pursuant to the Tuscarora Option Agreement, Novo Resources Corp. will grant the Company the exclusive right and option to acquire a 100% right, title, and interest in and to the Tuscarora Project (the "Tuscarora Option").

Pursuant to the Amended Tuscarora Option Agreement, the Company:

a) made $400,000 in cash payments to Novo Resources Corp.; and
b) issued 266,667 common shares of the Company to Novo Resources Corp.

In addition, to earn the Tuscarora Option, the Company will have to incur US$100,000 in expenditures on the property annually, starting on the twelve-month period commencing on the first anniversary of the listing date and per each successive twelve-month period thereafter[1].

The property is subject to Net Smelter Returns (the "NSR") royalties of 0.5% which may be reduced to nil (0%) by paying US$500,000.

[1] This amount has been incurred annually since the first anniversary of the listing date.

(Expressed in Canadian Dollars)

6) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Tuscarora Project (Nevada, US) (continued)
In addition, the Company is also required to make the following payments to Ely Gold Royalties ("Ely Gold"), the owner of the Tuscarora Project:

a) Annual minimum royalty payments

On or before:	$	
November 7, 2018	4,000	Paid
November 7, 2019	4,000	Paid
November 7, 2020	4,000	Paid[2]
November 7, 2021	8,000	Paid
November 7, 2022	8,000	Paid
November 7, 2023	8,000	Paid
November 7, 2024	8,000	
November 7, 2025	8,000	
November 7, 2026 and each succeeding anniversary	12,000	

b) Production royalty based on the NSR from the production and sale of minerals from the Tuscarora Project. The royalty percentage rate for precious metals is based on the average daily price per troy ounce of gold during the period of production of minerals from the Tuscarora Project for which the royalty is payable as follows:

- less than or equal to $1,500 Two percent (2%)
- greater than $1,500 but less than or equal to $2,000 Three percent (3%)
- greater than $2,000 Four percent (4%)

The royalty percentage which will apply for all other minerals produced is 2.5% of the NSR.

In addition, the Company is required to pay annual claim maintenance fees for the Tuscarora Project.

During the year ended December 31, 2022, the Company paid $124,276 (US$95,487) in annual maintenance fees.

During the year ended December 31, 2023, the Company paid $72,758 (US$54,052) in annual maintenance fees.

Lease assignment agreement with Ubica Gold Corp. ("Ubica")
On September 15, 2021, the Company entered into a lease assignment agreement with Ubica Gold Corp. ("Ubica") (the "Ubica Agreement"). Pursuant to the terms of the Ubica Agreement, the Company issued 3,700,000 common shares with fair value of $3,293,000 (the "Ubica Payment Shares") and paid $800,000 in cash to Ubica on September 15, 2021 to acquire claims at Tuscarora. The Ubica Payment Shares are subject to voluntary hold periods, with 25% of the Ubica Payment Shares released on September 15, 2021 and an additional 25% released every 6 months thereafter until all Ubica Payment Shares have been released.

[2] Paid by AmmPower Corp.

6) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Tuscarora Project (Nevada, US) (continued)

Lease assignment agreement with Ubica Gold Corp. ("Ubica") (continued)

The Ubica Agreement consists of three sublease agreements:

- An agreement entered between Ubica and RS Gold, LLC (the "RS Agreement");
- An agreement entered between Ubica and Timothy Tigerman (the "Tigerman Agreement"); and
- An agreement entered between Ubica and Jerry K. and Lori L. Fogle, Debra L. Jacob, and Lanny and Pamela M. Morrison (collectively the "RH Lessor") (the "Rose Hill Agreement").

  (collectively, the "Ubica Sublease Agreements")

Pursuant to the Ubica Agreement, the Company is responsible for making the payments which are due on or after September 15, 2021 under the Ubica Sublease Agreements.

- **RS Agreement**

  The initial term (the "RS Initial Term") of the RS Agreement is 20 years from April 23, 2019, the date which the RS Agreement was signed. Ubica has the option to extend the RS Agreement for an additional 20 years (the "RS Renewal Term").

  Pursuant to the RS Agreement, the Company will make the following payments:

  Advanced royalty payment
  - US$20,000 on or before April 23, 2022 (paid);
  - US$30,000 on or before April 23, 2023 (paid);
  - US$40,000 on or before April 23, 2024 (paid subsequent to December 31, 2023); and
  - US$50,000 on or before April 23, 2025 and each anniversary thereafter through the initial term and any renewal or extension thereof.

  The annual work commitment required pursuant to RS Agreement had been fulfilled by Ubica.

  The RS Agreement is subject to a 3% NSR. During the RS Initial Term and the RS Renewal Term, Ubica has the option to purchase up to a 2% NSR of the total 3% NSR for US$1,000,000 per each 1% NSR.

- **Tigerman Agreement**

  The initial term (the "Tigerman Initial Term") of the Tigerman Agreement is 20 years from June 25, 2021, the date which the Tigerman Agreement was signed. Ubica has the option to extend the Tigerman Agreement for an additional 20 years (the "Tigerman Renewal Term").

  Pursuant to the Tigerman Agreement from the Tigerman Initial Term to June 25, 2040, the Company is subject to advance annual royalties with the first payment of US$10,000 due on or before June 25, 2022. The advance annual royalties will increase by 10% each subsequent year.

  The 2022 annual royalty of US$10,000 was paid by Ubica and reimbursed by the Company during the year ended December 31, 2022.

6) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Tuscarora Project (Nevada, USA) (continued)

Lease assignment agreement with Ubica Gold Corp. ("Ubica") (continued)

- **Rose Hill Agreement**

  The initial term (the "RH Initial Term") of the Rose Hill Agreement is 10 years from June 30, 2021, the date which the Rose Hill Agreement was signed. Ubica has the option to extend the Rose Hill Agreement for an additional 10 years (the "RH Renewal Term").

  Pursuant to the Rose Hill Agreement, the Company will make the following payments:

  Advance royalty payment
  - US$6,000 on June 30, 2021 (paid);
  - US$12,000 on or before June 30, 2022 (paid);
  - US$18,000 on or before June 30, 2023 (paid);
  - US$24,000 on or before June 30, 2024; and
  - US$36,000 on or before June 30, 2025 and each anniversary thereafter through the initial term and any renewal or extension thereof.

  Annual work commitment
  - US$30,000 during the first year from the RH Initial Term (fulfilled);
  - US$80,000 during the second year from the RH Initial Term (fulfilled); and
  - US$100,000 during the third year from the RH Initial Term.

  The Rose Hill Agreement is subject to a 3% NSR. During the RH Initial Term and the RH Renewal Term, Ubica has the option to purchase up to a 2% NSR of the total 3% NSR for US$1,000,000 per each 1% NSR.

The Company has reclamation deposits of $26,493 (US$20,000) (December 31, 2022 – $27,081 (US$20,000)) as collateral on the Tuscarora Project.

Madison Project (Montana, USA)

The Madison Project is currently under an earn-in, joint venture agreement signed by Broadway Gold Corp. ("Broadway"), a wholly-owned subsidiary of the Company, on April 30, 2019, whereby Kennecott Exploration Company ("Kennecott"), part of the Rio Tinto Group (ASX, LON: RIO) must spend US$30 million to earn up to 70% of the Madison Project (the "MP Earn-In Agreement").

Under the terms of the earn-in agreement, Kennecott has an option to acquire a 55% undivided interest (the "First Option") in the property by incurring exploration and related expenditures of US$5 million[3] within the first five years, including a minimum exploration budget of US$1 million in the first year.

If Kennecott exercises the First Option, it may elect to earn an additional 10% undivided interest (the "Second Option"), for a total undivided interest of 65%, by incurring additional expenditures of US$10 million[4] within the following three years.

[3] Collectively the "Option Expenditures"

6) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Madison Project (Montana, USA) (continued)

If Kennecott exercises the Second Option, it may elect to earn an additional 5% undivided interest (the "Third Option"), for a total of 70%, by incurring additional expenditures of US$15 million[4] within the subsequent three-year period. Kennecott may elect to create the joint venture after exercising each option to earn in.

In addition, in order to exercise the First Option, Kennecott is required to make the following cash payment to Broadway in an amount of US$225,000 over the first five years:

- US$50,000 on April 30, 2019 (paid);
- US$25,000 on or before April 30, 2020 (paid);
- US$25,000 on or before April 30, 2021 (paid)[4];
- US$25,000 on or before April 30, 2022 (paid)[5];
- US$25,000 on or before April 30, 2023 (paid)[6]; and
- US$75,000 on or before April 30, 2024.

On May 17, 2021, the Company entered into an amendment agreement (the "First Amendment Agreement") with Kennecott. Under the First Amendment Agreement, the payment, including the annual pre-production payment of US$50,000 due on April 1 of each year until the commercial production is commenced, made directly or indirectly by Kennecott to keep the Madison Project in good standing is considered as the Option Expenditures.

Pursuant to the earn-in agreement:

- Kennecott may request Broadway to conduct exploration on its behalf during the first year in return for a 10% administration charge.

- Broadway has the right to conduct independent drilling and exploration of the skarn zones during the first year.

- Broadway has a right of first offer to acquire Kennecott's interest in the property in the event Kennecott wishes to divest its interest.

- The joint venture may be formed with 55% to Kennecott and 45% to Broadway upon the Kennecott exercise of the First Option, 65% to Kennecott and 35% to Broadway upon the Kennecott exercise of the Second Option, or 70% to Kennecott and 30% to Broadway upon exercise of the Third Option.

- The joint venture will be managed by the Rio Tinto Group and financed by each participant in accordance with its interest.

- Broadway may elect to not finance its interest and be diluted down to a 10% interest. If Broadway is diluted below 10% interest, its interest will convert to a 2% NSR with a maximum amount payable of US$50 million.

On February 5, 2024, Kennecott decided not to proceed with the MP Earn-In Agreement; as a result, the Company regained 100% ownership of Madison.

[4] $31,655 (US$25,000) was recognized as a reduction of the carrying value of the Madison Project.
[5] $31,663 (US$25,000) was recognized as a reduction of the carrying value of the Madison Project.
[6] $33,806 (US$25,000) was recognized as a reduction of the carrying value of the Madison Project.

6) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Gooseberry Project (Nevada, USA)
On April 23, 2019, the Company acquired through staking the Gooseberry Mine in Storey County, Nevada, USA. The Company is required to pay annual claim maintenance fees for the Gooseberry Project.

During the year ended December 31, 2022, the Company paid $9,854 (US$7,751) in annual maintenance fees.

During the year ended December 31, 2023, the Company paid $10,359 (US$7,696) in annual maintenance fees.

The Company has reclamation deposits of $19,870 (US$15,000) (December 31, 2022 – $20,311 (US$15,000)) as collateral on the Gooseberry Project.

Red Hill Project (Nevada, USA)
On July 29, 2021 (the "RH Effective Date"), the Company entered into a ten-year renewable lease agreement for the Red Hill Project (the "RH Lease Agreement") with Nevada North Resources (USA) Inc. ("Nevada North").

Pursuant to the RH Lease Agreement the Company is required to make the first payment of US$25,000 (paid) Nevada North to hold the Red Hill property for one year from the RH Effective Date and make the following annual payment to Nevada North:

- 2nd payment on July 29, 2022 – US$25,000 (paid);
- 3rd payment on July 29, 2023 – US$25,000 (paid – $33,652);
- 4th payment on July 29, 2024 – US$40,000;
- 5th payment on July 29, 2025 – US$40,000;
- 6th payment on July 29, 2026 – US$45,000;
- 7th payment on July 29, 2027 – US$50,000;
- 8th payment on July 29, 2028 – US$55,000;
- 9th payment on July 29, 2029 – US$55,000; and
- 10th payment on July 29, 2030 – US$55,000[7].

In addition, the Company is required to pay annual claim maintenance fees for the Red Hill Project.

During the year ended December 31, 2022, the Company paid $18,540 (US$14,245) in annual claim maintenance fees.

During the year ended December 31, 2023, the Company paid $19,309 (US$14,345) in annual claim maintenance fees.

Upon commencement of commercial production, the Company is required to pay Nevada North a royalty on production equal to 3% of NSR of which 1.5% the Company may be bought back for US$3,000,000.

In addition, one of the Company's directors own 10% interest of the Red Hill Project.

[7] Beginning on the 11th payment due on July 29, 2031, the annual payment of US$55,000 will be adjusted for inflation based on to the United States Depart of Labor Consumer Price Index.

6) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Palmer Project (Alaska, USA)

During the year ended December 31, 2022, the Company acquired the Palmer Project which included the Palmer Property and the Haines Block Lease, through the acquisition of Constantine Metal Resources Ltd. ("Constantine").

- **Palmer Property**

  The Palmer Property is comprised of mining claims subject to a 99-year mining lease, dated December 19, 1997, and mining claims located near Haines, Alaska. To maintain the lease, there is a requirement to make annual advance royalty payments of US$42,500 and pay Federal claim annual maintenance fees.

  The lease is subject to a 2.5% NSR royalty. The lessee has a right of first refusal to purchase the NSR or any portion thereof at any time during the term of the lease. The advance royalty payments are deductible from the NSR royalty.

  The Palmer Property is held by CML which is jointly owned by Constantine and Dowa Metals & Mining Co., Ltd. ("Dowa"). During the year ended December 31, 2023, the Company entered into a financial arrangement with Dowa for the 2023 Palmer Program for the funding requirement from January 1, 2023 and October 31, 2023 (the "2023 Funding Period"). During the 2023 Funding Period, Dowa advanced $9,493,001 (US$7,061,278) on behalf of the Company (Note 8). Subsequently, the Company decided not to contribute to the 2023 Palmer Program; as a result, pursuant to the financial arrangement, the Company's interest was diluted from 40.78% to 32.75%.

  Following the 2023 Funding Period through December 31, 2023, Dowa extended an additional $1,711,103 to the 2023 Palmer Program, for the Company's interest. Consequently, in accordance with the CML members' agreement, the Company's interest decreased from 32.75% to 31.53%.

  As a result of the dilution, the Company recognized a gain of $7,208,128 in the consolidated statement of profit or loss during the year ended December 31, 2023 (December 31, 2022 – loss of $391,059).

  As of December 31, 2023 and December 31, 2022, Constantine owned 31.53% and 40.78%, respectively and Dowa owned 68.47% and 59.22%, respectively.

  Under the terms of the CML members' agreement, Constantine is the operator of CML and each party is responsible for its proportionate share of expenses, determined on the basis of ownership and subject to dilution according to standard dilution provisions. As an operator of CML, Constantine charges CML 7% management fees on eligible expenditures incurred.

  As at December 31, 2023, the balance due from Dowa relating to the 7% management fees and other disbursements included in other receivable were $836,334 (December 31, 2022 – $nil).

  For accounting purposes, Constantine's interest in CML has been considered a joint operation and its proportionate interest in the accounts of CML has been consolidated within the Company's consolidated financial statements.

6) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

- **Haines Block Lease**

  The Haines Block is contiguous with and surrounds the Federal and State mining claims that make up the Palmer Property. The lease agreement was signed by Constantine and the Alaska Mental Health Trust.

  To maintain the lease, the Company is required to make:

  - Annual payments of US$25,000 per year for the initial 3-year lease term, US$40,000 for years 4 to 6, US$55,000 for years 7 through 9;
  - Work commitments of US$75,000 per year, escalating by US$50,000 annually; and
  - Annual payments are replaced by royalty payments upon achieving commercial production.

  In addition, production royalties payable to the Alaska Mental Health Trust Authority include a sliding scale of 1% to 4.5% royalty for gold, based on the gold price, and a 3.5% royalty on minerals other than gold.

  Approximately 6% of the Haines Block land parcel with surface and mineral rights has been assigned to CML on September 1, 2017.

The Company has reclamation deposits of $100,680 (US$76,003) (December 31, 2022 – $116,681 (US$85,027)) as collateral on the Palmer Project.

<u>Big Nugget Property (Alaska, USA)</u>
In connection with the acquisition of Constantine, the Company acquired the Big Nugget Property, a portion of the Haines Block Lease which has not been assigned to CML.

During the year ended December 31, 2023, the Company paid $6,830 (US$5,060) in annual maintenance fees.

<u>Alpha Project (Nevada, USA)</u>
In connection with the CGI Acquisition (Note 3), the Company acquired the Alpha Project which is 100% owned by CGI.

In addition, the Company is required to pay annual claim maintenance fees for the Alpha Project. During the year ended December 31, 2023, the Company paid $19,481 (US$14,522) in annual claim maintenance fees.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 2.5% of NSR of which 0.5% the Company may buy back for US$500,000.

6) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Ziggurat Project (Nevada, USA)

In connection with the CGI Acquisition (Note 3), the Company acquired the Ziggurat Project which is 100% owned by CGI and is currently under a joint venture agreement with Centerra Gold Inc. ("Centerra"). Centerra has the option to spend up to US$6 million to earn 70% of the project until Year 2026.

Pursuant to the joint venture agreement with Centerra, Centerra is required to make the following annual payment to CGI and incur the minimum expenditures on the project:

Annual payments:
- US$20,000 due on or before July 8, 2023 (paid)[8];
- US$20,000 due on or before July 8, 2024;
- US$20,000 due on or before July 8, 2025; and
- US$20,000 due on or before July 8, 2026.

Annual work commitment
- US$500,000 on or before July 8, 2023 (fulfilled);
- US$750,000 on or before July 8, 2024;
- US$1,250,000 on or before July 8, 2025;
- US$1,500,000 on or before July 8, 2026; and
- US$2,000,000 on or before July 8, 2027.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 1.5% of NSR of which 0.5% the Company may buy back for US$500,000.

In addition, pursuant to the CGI Agreement, the Company will be required to issue 4,500,000 common shares of the Company to NewQuest Capital Inc. ("NewQuest"), the largest CGI Shareholder, in the event that:

- the option agreement dated July 8, 2022 (the "Ziggurat Option Agreement") among CGI, CV Gold Inc., a wholly owned subsidiary of CGI, and Centerra (U.S.) Inc. (Centerra US), a wholly owned subsidiary of Centerra, is in good standing on January 31, 2024; and

- by January 31, 2024, Centerra US has either:
  - commenced making the second tranche of annual expenditures required by the Ziggurat Option Agreement; or
  - provided formal assurances to the Company that it intends to keep the Ziggurat Option Agreement in good standing following the third anniversary of the effective date of the Ziggurat Option Agreement.

[8] $26,829 (US$20,000) was recognized as a reduction of the carrying value of the Ziggurat Project.

6) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Danny Boy Mine Property (Nevada, USA)

In connection with the CGI Acquisition, the Company acquired the Danny Boy Mine Property which included the Danny Boy Claims and the Lappin Project.

For the Danny Boy Claims, under the option agreement entered with NewQuest, CGI has the option to acquire a 100% interest in the claims by:

- issuing 500,000 common shares of the Company to NewQuest on or before August 11, 2023 (issued by CGI prior to the CGI Acquisition); and
- making a cash payment of $4,000,000 to NewQuest on completion of a pre-feasibility study.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 1.5% of NSR, of which 0.5% the Company may buy back for US$500,000.

In addition, pursuant to the assignment agreement entered with NQ Holdings Inc., CGI has granted a lease right for the Lappin Project until April 14, 2032. To maintain the lease right, CGI has to make the following annual minimum payments to Lappin LLC (the "Lappin Annual Payments"):

- $12,500 on or before April 15, 2023 (paid by CGI prior to the CGI Acquisition);
- $15,000 on or before April 15, 2024 (paid subsequent to December 31, 2023);
- $20,000 on or before April 15, 2025;
- $30,000 on or before April 15, 2026, and each year until April 14, 2032.

CGI is also required to incur a total work commitment of $350,000, of which $100,000 and $250,000 should be incurred on or before April 15, 2025 and April 15, 2028, respectively.

The Company also has an option to acquire a 100% interest in Lappin by making a $500,000 payment minus any Lappin Annual Payment which had been made previously to Lappin LLC.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 3% of NSR, of which 1% the Company may buy back for US$1,000,000 and another 1% may buy back for US$2,000,000 at any time.

In addition, the Company is required to pay annual claim maintenance fees for the Danny Boy Mine Property. During the year ended December 31, 2023, the Company paid $25,417 (US$18,947) in annual claim maintenance fees.

(Expressed in Canadian Dollars)

7) LEASE OBLIGATIONS

	$
As of December 31, 2021	-
Initial recognition	128,537
Accretion	2,477
Repayment	(7,106)
As of December 31, 2022	123,908
Initial recognition	1,856,258
Accretion	149,266
Payments	(557,194)
Change in interest in the Joint Operation	(358,590)
Effect of movements on exchange rates	5,455
As of December 31, 2023	**1,219,103**
Current	452,374
Long-term	766,729
	1,219,103

Minimum lease payments for each fiscal year:	
2024	572,664
2025	804,947
2026	19,005
	1,396,616

Amount representing interest	
2024	(120,291)
2025	(56,846)
2026	(376)
	(177,513)

During the year ended December 31, 2023, the Company, through its joint operation (CML (Note 6)), entered into a lease agreement for camp equipment used at the Palmer Project. The lease commenced on April 15, 2023, with 34 payments of US$97,404 due each 28 days during the lease term. At the end of the lease term, CML has an option to purchase the camp equipment for US$4,005,362 (the "Buy-out Option"). The Company applied IFRS 16, "Leases", and used a discount rate of 12% to determine the fair value of the lease term (US$3,408,502) at the date of inception. In determining the fair value at the date of inception, the Company did not include the Buy-out Option as it is uncertain if CML will exercise the Buy-out Option at the end of the lease term. As discussed in Note 6, the Company consolidated its proportionate interest (31.53%) of CML; as a result, the Company recognized $1,856,258 as a lease liability at the date of inception.

The Company entered into two office leases which are considered as short-term leases. During the year ended December 31, 2023, the expense relating to payments not included in the measurement of the lease liability was $49,791 (December 31, 2022 – $39,000).

(Expressed in Canadian Dollars)

8) LOAN PAYABLE

	$
Funds advanced	9,493,001
Interest	266,967
Repayment	(266,967)
Derecognition	(9,781,070)
Effect of movements on exchange rates	288,069
Balance as of December 31, 2023	-

As discussed in Note 6, the Company entered into a financial arrangement with Dowa for the 2023 Palmer Program. During the 2023 Funding Period, Dowa advanced $9,493,001 (US$7,061,278) on behalf of the Company.

As discussed in Note 6, the Company decided not to contribute to the 2023 Palmer Program; as a result, pursuant to the financial arrangement, the Company's interest was diluted by the loan payable balance and the Company is no longer obligated for the amount due to Dowa of US$7,061,278.

During the 2023 Funding Period, the Company incurred and paid interest expense and placement fees related to the financial arrangement of $266,967 (US$197,442), which was recognized as finance costs during the year ended December 31, 2023.

As of December 31, 2023, the balance of the loan payable was $nil (US$nil).

9) SHARE CAPITAL AND RESERVES

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital
As of December 31, 2023, the Company had 196,588,051 common shares issued and outstanding (December 31, 2022 – 176,773,937) with a value of $65,118,945 (December 31, 2022 – $59,705,367).

During the year ended December 31, 2023

- As discussed in Note 3, on the CGI Closing Date, the Company issued 11,500,000 common shares with fair value of $4,025,000 to CGI.

- 132,150 stock options were exercised for proceeds of $44,931. In addition, the Company reclassified the grant date fair value of the exercised stock options of $34,533 from stock options reserve to share capital.

- 8,181,964 warrants were exercised for proceeds of $1,309,114.

(Expressed in Canadian Dollars)

9) SHARE CAPITAL AND RESERVES (CONTINUED)

Issued share capital (continued)

During the year ended December 31, 2022

- 275,000 stock options were exercised for proceeds of $110,000. In addition, the Company reclassified the grant date fair value of the exercised stock options of $57,278 from stock options reserve to share capital.

- As discussed in Note 3, in connection with closing of the Acquisition, the Company issued 58,734,728 common shares with a fair value of $19,969,808 to acquire all of the issued and outstanding common shares of Constantine.

Warrants

The changes in warrants during the years ended December 31, 2023 and 2022, are as follows:

	December 31, 2023		December 31, 2022	
	Number outstanding	Weighted average exercise price ($)	Number outstanding	Weighted average exercise price ($)
Balance, opening	33,129,198	0.79	13,904,284	0.67
Issued	-	-	19,224,914	0.88
Exercised	(8,181,964)	0.16	-	-
Expired	(18,678,202)	1.22	-	-
Balance, closing	**6,269,032**	**0.34**	**33,129,198**	**0.79**

During the year ended December 31, 2023

- 18,678,202 warrants expired unexercised.

- The Company extended the expiry date of 3,888,849 warrants with an expiry date of August 12, 2023 to August 12, 2025. The extension was approved by the Canadian Securities Exchange. As a result of the extension, the Company recognized a loss on modification with an amount of $506,272, which was included in the share-based payments.

During the year ended December 31, 2022, as discussed in Note 3, in connection with closing of the Acquisition, the Company issued 19,224,914 warrants to the existing warrant holders of Constantine to replace the outstanding warrants of Constantine.

The following summarizes information about warrants outstanding as of December 31, 2023:

Expiry date	Exercise price ($)	Warrants outstanding	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
August 12, 2025	0.34	3,888,849	409,022	1.62
October 10, 2024	0.35	2,380,183	394,101	0.78
		6,269,032	**803,123**	**1.30**
Weighted average exercise price ($)		**0.34**		

(Expressed in Canadian Dollars)

9) SHARE CAPITAL AND RESERVES (CONTINUED)

Stock options

The Company has a Stock Option Plan (the "Plan") applicable to directors, officers and consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, an option's maximum term is ten years from the grant date. Under the stock option plan, the Board of the Company has the option of determining vesting periods.

The changes in stock options during the years ended December 31, 2023 and 2022 as follows:

	December 31, 2023		December 31, 2022	
	Number outstanding	Weighted average exercise price ($)	Number outstanding	Weighted average exercise price ($)
Balance, opening	9,882,168	0.59	4,025,000	0.39
Granted	5,700,000	0.25	6,132,168	0.71
Exercised	(132,150)	0.34	(275,000)	0.40
Expired	(66,075)	0.84	-	-
Cancelled	(1,951,415)	0.50	-	-
Balance, closing	**13,432,528**	**0.46**	**9,882,168**	**0.59**

During the year ended December 31, 2023

- On November 23, 2023, the Company granted 5,700,000 options with an exercise price of $0.25 to its directors, officers, and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

- 66,075 stock options with an exercise price of $0.84 expired unexercised.

- 1,951,415 stock options were cancelled.

During the year ended December 31, 2022

- On February 28, 2022, the Company granted 2,900,000 options with an exercise price of $1.01 to its directors, officers, and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

- As discussed in Note 3, in connection with closing of the Acquisition, the Company issued 3,232,168 stock options to the existing option holders of Constantine to replace the outstanding stock options of Constantine.

(Expressed in Canadian Dollars)

9) SHARE CAPITAL AND RESERVES (CONTINUED)

Stock options (continued)

The estimated grant date fair value of the options granted during the years ended December 31, 2023 and 2022 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the years ended	
	December 31, 2023 $	December 31, 2022 $
Number of options granted	5,700,000	2,900,000
Risk-free interest rate	3.90%	1.78%
Expected annual volatility	106%	85%
Expected life (in years)	5	5
Expected dividend yield	-	-
Grant date fair value per option ($)	0.15	0.63
Share price at grant date ($)	0.20	0.95

During the year ended December 31, 2023, the Company recognized share-based payments expense arising from stock options of $866,168 (December 31, 2022 – $1,827,754).

The following summarizes information about stock options outstanding and exercisable at December 31, 2023:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
June 14, 2024	0.61	116,732	116,732	13,008	0.45
May 14, 2025	0.33	50,000	50,000	6,350	1.37
July 22, 2025	0.49	1,900,000	1,900,000	581,062	1.56
August 1, 2025	0.19	220,250	220,250	56,780	1.59
May 27, 2026	0.27	1,700,000	1,700,000	302,317	2.41
July 19, 2026	0.71	100,000	100,000	47,247	2.55
October 25, 2026	0.34	745,546	745,546	194,822	2.82
February 28, 2027	1.01	2,900,000	2,900,000	1,827,754	3.16
November 23, 2028	0.25	5,700,000	5,700,000	866,168	4.90
		13,432,528	**13,432,528**	**3,895,508**	**3.50**
Weighted average exercise price ($)		**0.46**	**0.46**		

(Expressed in Canadian Dollars)

10) RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The following table discloses the total compensation incurred to the Company's key management personnel during the years ended December 31, 2023 and 2022:

	For the years ended	
	December 31, 2023	**December 31, 2022**
	$	**$**
Warwick Smith, CEO and Director		
Consulting fees [(1)]	307,066	310,551
Share-based payments	112,450	315,130
	419,516	**625,681**
Eric Saderholm, Managing Director of Exploration and Director, Former President		
Consulting fees	-	59,266
Project evaluation costs	9,491	13,286
Exploration and evaluation costs	177,215	204,210
Share-based payments	112,450	315,130
	299,156	**591,892**
Alnesh Mohan, CFO and Corporate Secretary		
Professional fees [(2)]	303,414	157,300
Transaction costs (Note 3)	7,000	58,500
Share-based payments	112,450	220,591
	422,864	**436,391**
Ken Cunningham, Director		
Directors' fees	32,381	31,577
Exploration and evaluation costs	-	67,704
Share-based payments	112,450	315,130
	144,831	**414,411**
Joness Lang, President and Director		
Consulting fees [(3)]	104,000	25,000
Directors' fees [(3)]	18,985	31,550
Share-based payments	112,450	315,130
	235,435	**371,680**

(Expressed in Canadian Dollars)

10) RELATED PARTY TRANSACTIONS AND BALANCES

	For the years ended	
	December 31, 2023	December 31, 2022
	$	$
Ali Hakimzadeh, Director		
Directors' fees	2,675	-
Share-based payments	112,450	-
	115,125	**-**
Peter Mercer, Senior Vice President, Advance Projects and President of Constantine North Inc.		
Management fees (4)	206,944	-
Share-based payments	112,450	-
	319,394	**-**
TOTAL	**1,956,321**	**2,440,055**

(1) Paid to Harbourside Consulting Ltd. which is controlled by Mr. Smith.
(2) Paid to Quantum Advisory Partners LLP, an accounting firm in which Mr. Mohan is an incorporated partner. Fees were paid for provision of CFO, financial reporting, accounting support and transaction support services.
(3) Paid to EBC Consulting Group Ltd. which is controlled by Mr. Lang.
(4) The Company incurred management fees of $206,944 during the year ended December 31, 2023 (December 31, 2022 – $nil) of which $141,694 was charged to Dowa.

As at December 31, 2023, the balances due to the Company's directors and officer included in accounts payables and accrued liabilities were $74,507 (December 31, 2022 – $180,210), which were paid subsequent to December 31, 2023. These amounts are unsecured, non-interest bearing and payable on demand.

(Expressed in Canadian Dollars)

11) SEGMENTED INFORMATION

The Company operates in one reportable segment being the exploration and evaluation of mineral properties. The Company's non-current assets are located as follows:

	December 31, 2023 $	Canada $	United States $
Non-current assets			
Reclamation deposits	147,043	-	147,043
Property and equipment	1,470,850	88,102	1,382,748
Exploration and evaluation assets	35,616,173	-	35,616,173

	December 31, 2022 $	Canada $	United States $
Non-current assets			
Reclamation deposits	164,073	-	164,073
Property and equipment	199,852	122,417	77,435
Exploration and evaluation assets	36,215,068	-	36,215,068

12) CAPITAL MANAGEMENT

The Company defines its components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue business opportunities and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

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

The Company's investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account. There have been no changes to the Company's approach to capital management at any time during the years ended December 31, 2023 and 2022. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

13) FINANCIAL INSTRUMENTS

Fair value

Financial instruments are classified into one of the following categories: FVTPL, amortized cost and FVTOCI.

Set out below are the Company's financial assets and liabilities by category:

	December 31, 2023 $	FVTPL $	Amortized costs $	FVTOCI $
FINANCIAL ASSETS				
ASSETS				
Cash and cash equivalents	2,858,690	-	2,858,690	-
Amounts receivable	144,508	-	144,508	-
Other receivables	836,334	-	836,334	-
Reclamation deposits	147,043	-	147,043	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable and accrued liabilities	(761,786)	-	(761,786)	-
Current portion of lease obligations	(452,374)	-	(452,374)	-
Lease obligations	(766,729)	-	(766,729)	-

	December 31, 2022 $	FVTPL $	Amortized costs $	FVTOCI $
FINANCIAL ASSETS				
ASSETS				
Cash and cash equivalents	6,036,504	-	6,036,504	-
Amounts receivable	97,334	-	97,334	-
Reclamation deposits	164,073	-	164,073	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable and accrued liabilities	(895,461)	-	(895,461)	-
Current portion of lease obligations	(29,797)	-	(29,797)	-
Lease obligations	(94,111)	-	(94,111)	-

The carrying values of cash and cash equivalents, amounts receivable, other receivables and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments. Reclamation deposits approximately their fair value due to their liquidity. Lease obligations approximates its fair value as it has been discounted with an interest rate comparable to current market rates.

As of December 31, 2023 and 2022, there were no financial assets or liabilities measured and recognized in the consolidated statement of financial position at fair value that would be categorized as Level 1, 2 and 3 in the fair value hierarchy above.

13) FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)
IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

Financial risk management

Credit risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and cash equivalents and amounts receivable.

The Company's cash and cash equivalents are held at a large Canadian and United States financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash and cash equivalents based in Canada and United States are accessible. The Company's amounts receivable balance includes the amounts due from the Government of Canada and Dowa (Note 6). The Company believes the credit exposure from the amounts receivable is not significant.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As at December 31, 2023, the Company had cash and cash equivalents of $2,858,690 and accounts payable and accrued liabilities of $761,786.

Market risk
The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest Rate Risk
Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

13) FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market risk (continued)

Interest Rate Risk (continued)

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash and cash equivalents. A 1% change in interest rates on the balance of cash as of December 31, 2023 would result in an approximately $28,000 change to the Company's loss for the year ended December 31, 2023.

Foreign Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars ("$" or "CA$"). The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, amounts receivable, reclamation deposits, and accounts payable and accrued liabilities are held in CA$ and United States dollars ("US"); therefore, US accounts are subject to fluctuation against the CA$.

The Company's financial instruments were denominated as follows as at December 31, 2023:

	CA$	US$
Cash and cash equivalents	1,684,123	886,686
Amounts receivable	25,195	90,070
Reclamation deposits	-	111,003
Accounts payable and accrued liabilities	(220,699)	(408,471)
Current portion of lease obligation	(34,779)	(315,245)
Current portion of loan payable	-	-
Lease obligation	(59,332)	(534,017)
	1,394,508	**(169,974)**
Rate to convert to $1.00 CA$	1.00	1.32
Equivalent to CA$	**1,394,508**	**(225,159)**

Based on the above net exposures as of December 31, 2023, and assuming that all other variables remain constant, a 10% change of the CAD against the US would change profit or loss by approximately $22,000.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.

(Expressed in Canadian Dollars)

14) INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2023 $	2022 $
Loss for the year	**9,068,844**	**10,097,741**
Expected income tax (recovery)	(2,449,000)	(2,726,000)
Change in statutory, foreign tax, foreign exchange rates and other	392,000	(41,729)
Permanent differences	(1,658,000)	731,000
Impact of asset acquisition	(29,000)	(2,646,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(3,128,000)	93,000
Change in unrecognized deductible temporary differences	6,872,000	4,583,000
Total income tax expense (recovery)	**-**	**(6,729)**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2023 $	Expiry Range	December 31, 2022 $	Expiry Range
Temporary Differences				
Exploration and evaluation assets	23,231,000	No expiry date	8,446,000	No expiry date
Property and equipment	10,000	No expiry date	60,000	No expiry date
Share issue costs	325,000	2042 to 2045	521,000	2042 to 2045
Intangible assets	248,000	No expiry date	3,000	No expiry date
Allowable capital losses	-	-	20,000	No expiry date
Leases	1,219,000	No expiry date	-	-
Non-capital losses available for future period	31,402,000	2022 to 2043	23,708,000	2022 to 2042
United States	19,851,000		14,251,000	
Canada	11,551,000		9,457,000	

Tax attributes are subject to review and potential adjustment by tax authorities.