WEST MINING CORP.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022
(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of West Mining Corp.

Opinion

We have audited the consolidated financial statements of West Mining Corp. and its subsidiaries (the "Company") which comprise the consolidated statements of financial position as at October 31, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at October 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the Financial Statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended October 31, 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditors' report:

<u>Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")</u>

We draw attention to Notes 3(c), 3(m) and 4 of the Financial Statements. The carrying amount of E&E Assets amounted to $8,483,686 as at October 31, 2023. E&E Assets are assessed for impairment if (i) the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities, (iv) sufficient data exists to determine technical feasibility and commercial viability, and (v) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

We identified the assessment of impairment indicators of E&E Assets as a key audit matter due to the significance of the E&E Assets and the judgments made by management in their assessment of impairment indicators related to E&E Assets, which in turn led to increased auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in this area that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Our audit response to the key audit matter was as follows:

- We assessed the status of the Company's rights to explore by discussing with management if any rights were not expected to be renewed, and verified the status of the underlying claims comprising the E&E Assets;
- We assessed the Company's ability and plans to make substantive expenditures on further exploration for and evaluation of mineral resources based on the Company's available funds and history of raising funds through private placements when needed;
- We assessed whether exploration and evaluation activities in areas of exploration have not led to the discovery of commercially viable quantities of mineral resources and assessed whether the Company has decided to abandon or discontinue exploration activities by inspecting Board of Directors minutes, reading press releases and relying on other evidence obtained in other areas of the audit; and
- We assessed whether facts and circumstances suggest that the Company has achieved commercial viability or that the carrying amount may exceed the recoverable amount by inspecting Board of Directors minutes, reading press releases and relying on other evidence obtained in other areas of the audit.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 auditors’ report to the related disclosures in the 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 auditors’ 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 Financial Statements, including the disclosures, and whether the 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 financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors’ 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 auditors’ report is Waseem Javed.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
February 28, 2024

WEST MINING CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	October 31, 2023	October 31, 2022
		$	$
ASSETS			
Current assets			
Cash		3,157	681,751
Marketable securities		18,000	32,000
GST recoverable		21,312	83,434
Prepaid expenses		19,813	133,197
		62,282	930,382
Term deposit		57,500	57,500
Exploration and evaluation assets	4	8,483,686	8,483,228
Total assets		8,603,468	9,471,110
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	220,249	21,254
Loans payable	5	51,285	-
		271,534	21,254
EQUITY			
Share capital	6	15,714,011	15,682,011
Subscriptions received		24,600	24,600
Reserves	6	3,707,872	3,727,872
Deficit		(11,114,549)	(9,984,627)
		8,331,934	9,449,856
Total liabilities and equity		8,603,468	9,471,110

Nature of operations and going concern (Note 1)
Subsequent events (Notes 1, 6 and 13)

Approved and authorized on behalf of the Board of Directors on February 28, 2024

"**Nader Vatanchi**" Director   "**Ashish Misquith**" Director

WEST MINING CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Notes	October 31, 2023	October 31, 2022
		$	$
ADMINISTRATIVE EXPENSES			
Advertising and promotion		251,610	578,557
Consulting fees	9	427,150	637,961
Insurance		22,207	29,188
Interest and bank charges		3,163	1,540
Office expenses		53,499	116,763
Professional fees	9	138,378	209,635
Rent		12,500	75,667
Salary and benefits		17,016	41,756
Share-based compensation	6, 9	-	600,000
Transfer agent and filing fees		47,583	46,833
		(973,106)	(2,337,900)
OTHER INCOME (EXPENSE)			
Foreign exchange loss		(3,278)	-
Interest income		1,011	-
Amortization of flow-through share liability premium	7	-	175,019
Unrealized loss on sale of marketable securities		(14,000)	(18,000)
Impairment of exploration and evaluation assets	4	(140,549)	(594,000)
Impairment of loan receivable	8	-	(280,231)
		(156,816)	(717,212)
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(1,129,922)	(3,055,112)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.18)	(0.50)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		6,130,122	6,102,849

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

WEST MINING CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Subscriptions Received (Receivable)	Reserves	Deficit	Total
	#	$	$	$	$	$
Balance, October 31, 2021	6,087,730	15,725,311	(46,200)	3,127,872	(6,929,515)	11,877,468
Shares issued for property acquisition	25,000	27,500	-	-	-	27,500
Share cancellation	(16,500)	(70,800)	70,800	-	-	-
Share-based compensation	-	-	-	600,000	-	600,000
Net and comprehensive loss for the year	-	-	-	-	(3,055,112)	(3,055,112)
Balance, October 31, 2022	6,096,230	15,682,011	24,600	3,727,872	(9,984,627)	9,449,856
Shares issued due to RSU exercise	20,000	20,000	-	(20,000)	-	-
Shares issued for termination agreement of exploration and evaluation asset	30,000	12,000	-	-	-	12,000
Net and comprehensive loss for the year	-	-	-	-	(1,129,922)	(1,129,922)
Balance, October 31, 2023	6,146,230	15,714,011	24,600	3,707,872	(11,114,549)	8,331,934

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

WEST MINING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022
(Expressed in Canadian Dollars)

	2023	2022
	$	$
Operating activities:		
Net loss for the year	(1,129,922)	(3,005,112)
Items not affecting cash:		
Amortization of flow-through premium liability	-	(175,019)
Unrealized loss on sale of marketable securities	14,000	18,000
Impairment of exploration and evaluation assets	140,549	594,000
Impairment on loan receivable	-	280,231
Share-based compensation	-	600,000
Changes in non-cash working capital related to operations:		
GST recoverable	62,122	63,280
Prepaid expenses	113,384	145,416
Accounts payable and accrued liabilities	198,995	(153,346)
Net cash used in operating activities	(600,872)	(1,682,550)
Investing activities:		
Term Deposit	-	(57,500)
Exploration and evaluation asset expenditures	(129,007)	(1,016,353)
Net cash used in investing activities	(129,007)	(1,073,853)
Financing activity:		
Loans received	51,285	-
Net cash provided by financing activity	51,285	-
Decrease in cash during the year	(678,594)	(2,756,403)
Cash – beginning of the year	681,751	3,438,154
Cash – end of the year	3,157	681,751
Supplemental cash flow information:		
Interest paid in cash	-	-
Income taxes paid in cash	-	-
Non-cash investing and financing transactions:		
Shares issued due to RSU exercise	20,000	27,500
Shares issued for exploration and evaluation assets	12,000	7,095

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

1. NATURE OF OPERATIONS AND GOING CONCERN

West Mining Corp. (the "Company" or "West") was incorporated under the Company Act of British Columbia on August 28, 2017. The Company's registered and records office is located at Suite 4204-1011 West Cordova Street Vancouver, British Columbia, Canada V6C 0B2. The Company's common shares trade on the Canadian Securities Exchange under the trading symbol "WEST".

The Company's primary business is the identification, acquisition, and exploration of mineral properties.

Effective November 15, 2023, the Company completed the consolidation of its common shares on the basis of one post-consolidation common share for each 10 pre-consolidation common share. These consolidated financial statements reflect the share consolidation for all shares, warrants, options and per share amounts retrospectively.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. As at October 31, 2023, the Company has a working capital deficit of $209,252 and an accumulated deficit of $11,114,549. The Company expects to incur further losses in the development of its business. The Company's ability to continue as a going concern is dependent upon its ability to raise adequate funding through equity or debt financings to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, asset realization values may be substantially different from their carrying values. Carrying values as shown in these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

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

These consolidated financial statements were approved and authorized for issue by the Board of Directors on February 28, 2024.

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value.

c) Consolidation

These consolidated financial statements include the financial statements of the Company and wholly-owned subsidiaries subject to control by the Company, including 2125839 Alberta Inc., Pilgrim Exploration Corp., Folkestone Mining Corp. and 1994854 Alberta Ltd.

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

d) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. All financial information is expressed in Canadian dollars unless otherwise stated and have been rounded to the nearest dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

a) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents. The Company did not have any cash equivalents at October 31, 2023 and 2022.

b) Foreign currencies

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

c) Exploration and evaluation assets

Upon acquiring the legal right to explore an exploration and evaluation asset, costs related to the acquisition, exploration and evaluation are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit and loss. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their estimated recoverable amount. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

d) Impairment of non-financial assets

At the end of each reporting period, the Company’s non-financial assets, other than deferred tax 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 its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Restoration, rehabilitation and environmental obligations

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

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

The Company does not have any significant restoration, rehabilitation and environmental obligations as at October 31, 2023 and 2022.

f) Financial instruments

Recognition and Classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

<u>Financial assets and liabilities at FVTPL</u>
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss in the year in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss. Cash and marketable securities are classified as FVTPL.

<u>Financial assets at FVTOCI</u>
Elected 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 recognized in other comprehensive income (loss). The Company does not have any assets classified at FVOCI.

<u>Financial assets and liabilities at amortized cost</u>
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Term deposit, accounts payable and loan payables are carried at amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

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

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

g) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

h) Flow-through shares

Current Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. The issue of flow-through shares is in substance an issue of ordinary shares and the sale of tax deductions. At the time the Company issues flow-through shares, the sale of tax deductions is deferred and presented as other liabilities in the statement of financial position to recognize the obligation to incur and renounce eligible resource exploration and evaluation expenditures. The tax deduction is measured as the difference between the current market price of the Company's common shares and the issue price of the flow-through share. Upon incurring and renouncing eligible resource exploration and evaluation expenditures, the Company recognizes the sale of tax deductions as a tax deduction recovery on the statement of comprehensive loss and reduces the other liability.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

j) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Share-based payments expense relating to restricted stock units is accrued over the vesting period of the units based on the quoted market price.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

k) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are assigned value based on the residual value method. The value, if any, is allocated to equity reserves. Warrants that are issued as payment for agency fee or other transactions costs are accounted for as share-based payments.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. 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 period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is provided 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 Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures 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 reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset 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.

m) Significant accounting estimate, judgments and assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgement and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets/liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates.

On an on-going basis, management evaluates its estimates underlying various assumptions. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date that could result in material adjustments to the carrying amounts of assets and liabilities, include the following:

Significant accounting estimates

- Variables used in calculating the fair value of equity instruments issued in equity-settled transactions
- Variables used in determining expected credit losses

Significant accounting judgments

- Assessment of impairment indicators pertaining to exploration and evaluation assets
- Recognition of deferred tax assets and liabilities
- Going concern

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Leases

The Company leases its office building. The non-cancellable period of the lease is 12 months. The Company has elected to account for short-term lease using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to the is recognized as an expense in statement of loss on a straight-line basis over the lease term. As at October 31, 2023, the Company had terminated its office building lease.

o) Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended October 31, 2023, and have not been applied in preparing these consolidated financial statements. Management does not expect the impact of any such new standards and amendments to have any significant impact on its consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

a) Pilgrim Property

During the year ended October 31, 2021, the company acquired 10 mineral exploration claims located in the Nelson Mining District in British Columbia through its acquisition of Pilgrim Exploration Corp.

During the year ended October 31, 2022, the Company determined that further exploration of the Pilgrim property was not planned as it focuses on other properties and accordingly the Pilgrim property was considered impaired and $594,000 in acquisition costs were written off.

b) Kena Project

During the year ended October 31, 2021, the Company acquired a 100% interest in the Kena Project upon execution of the Option Agreement, the Amended Agreement and the Apex Agreement (as defined below). The Company also purchased additional claims to complement the Kena Project on March 22, 2021, as described below. The Kena Project consists of mineral claims and crown grants located in the Nelson Mining District in British Columbia, and is subject to various NSRs ranging from 1% to 3% which may be purchased for cash consideration.

<u>Option Agreement</u>

On December 24, 2020, the Company entered into an option agreement (the “Option Agreement”) with Boundary Gold and Copper Mining Ltd. (“Boundary”), and Boundary’s wholly-owned subsidiary, 1994854 Alberta Ltd. (“1994854”), to acquire 174 mineral claims and 11 crown grants comprising the Kena and Daylight gold-copper properties (the “Kena Project”). Under the Option Agreement, the Company had the option to earn an 80% interest in and to the properties by completing the following:

i. Make aggregate cash payments of $1,325,000 ($325,000 paid);
ii. Issue an aggregate of 736,111 common shares (180,556 common shares issued with a fair value of $325,000); and
iii. Incur an aggregate of $2,211,000 in exploration expenditures (incurred $1,735,925).

The Company issued 28,539 common shares valued at $51,371 for finder’s fees.

The Company also had the option to acquire the remaining 20% interest in the Kena Project by making a further cash payment of $2,000,000 upon earning its 80% interest.

<u>Amended Agreement to purchase 1994854</u>

Pursuant to an amending agreement dated April 7, 2021 with Boundary (“Amended Agreement”), the Company acquired all of the issued and outstanding shares of 1994854 from Boundary, by making a cash payment of $800,000 and issuing 555,555 common shares to Boundary with a fair value of $1,888,889. The remaining commitments under the Option Agreement were waived upon the Company’s purchase of 1994854. 1994854 holds the underlying 80% interest in the Kena Project.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

b) Kena Project (continued)

The Company also paid finder's fees of $80,000 and issued 55,555 common shares with a fair value of $188,889.

The acquisition of 1994854 did not meet the definition of a business combination, and therefore has been accounted for as an asset purchase of mineral property interests with the Company acquiring the outstanding shares of 1994854 on December 23, 2020. The consideration for 1994854 has been calculated based on the cash payments and fair value of the common shares issued, and 100% of the purchase consideration has been allocated to exploration and evaluation assets acquired.

Apex Agreement to purchase remaining 20% interest

Pursuant to an asset purchase agreement dated April 7, 2021 with Apex Resources Inc. ("Apex") ("Apex Agreement"), the Company acquired Apex's interest in the Kena Project in exchange for cash payments totaling $300,000 and issuance of 150,000 common shares of the Company valued at $480,000.

Apex retained a 1% NSR royalty on the Kena Project, which the Company has a right to purchase for a cash payment of $500,000 at any time prior to the commencement of commercial production.

Athabasca Mine

On March 22, 2021, the Company entered into a claims purchase agreement with 802213 Alberta Ltd., under which the Company acquired 17 mineral claims, contiguous to the Kena Project. In exchange for the claims, the Company paid $27,087 and issued 8,500 common shares of the Company. On August 4, 2021, the Company entered into a claims purchase agreement with 802213 Alberta Ltd., under which the Company acquired 5 additional mineral claims, contiguous to the Kena Project. In exchange for the claims, the Company paid $25,210.

c) Folkestone Property

On January 25, 2021, the Company entered into a share purchase agreement with shareholders of Folkestone Mining Corp. ("Folkestone"), under which the Company acquired all of Folkestone's issued and outstanding shares. Folkestone is the registered holder of 4 mineral exploration claims located in the Spanish Mountain District in British Columbia and 3 claims in the Junkers District in British Columbia. In exchange for the purchase of Folkestone's shares, the Company issued 310,000 units of the Company, valued at $1,240,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant was exercisable into one common share at an exercise price of $4.20 for a period of two years from the date of issuance.

In connection with the transaction, the Company issued 31,000 units for finder's fees, with each unit comprising of one common share and one common share purchase warrant. Each warrant was exercisable into one common share at an exercise price of $6.30 for a period of two years from the date of issuance.

The transaction did not meet the definition of a business combination and therefore, has been accounted for as an asset purchase of mineral property interests with the Company acquiring the outstanding shares of Folkestone on January 25, 2021. The consideration for the acquisition of Folkestone has been calculated at fair value of the units issued on the date of issuance.

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of identified assets acquired and liabilities assumed:

Purchase price	**$**
310,000 units of the Company issued	1,240,000
31,000 units for finder's fees issued	124,000
	1,364,000
Net assets acquired	
Exploration and evaluation assets	1,364,000

4. EXPLORATION AND EVALUATION ASSETS (continued)

d) Blue Cove Copper Property

On February 4, 2022, the Company entered into an option agreement to acquire a 100% undivided right, title and interest in and to the Blue Cove Copper Property covering 232 mineral claims (5,800 hectares) located near Terrenceville, Newfoundland. Under the terms of the option agreement, the Company could earn its 100% interest by issuing 170,000 common shares, making cash payments of $160,000 and incurring $750,000 in exploration expenditures in aggregate. The investment in the Blue Cove Copper Property was subject to a 3% NSR. The Company could purchase one-third (1%) of the NSR for $1,000,000 at any time.

During the year ended October 31, 2022, the Company paid $10,000 and issued 25,000 common shares, valued at $27,500. During the year ended October 31, 2023, the Company determined it would not pursue further exploration of the Blue Cove Copper Property and on February 15, 2023, the Company entered into a termination agreement with the optionor. Pursuant to the termination agreement, the Company paid $20,000 in cash and issued 30,000 common shares with a fair value of $12,000 in order to terminate. Accordingly, the Blue Cove Copper Property was considered impaired and $140,549 in acquisition and exploration costs were written off.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

e) Summary

The Company's exploration and evaluation assets activity for the years ended October 31, 2023 and 2022 are as follows:

	Pilgrim Property	Folkestone Property	Blue Cove Property	Kena Project	Total
	$	$	$	$	$
Acquisition costs					
Balance, October 31, 2021	594,000	1,364,000	-	4,562,847	6,520,847
Addition					
Cash	-	-	10,000	-	10,000
Common shares and units	-	-	27,500	-	27,500
Impairment	(594,000)	-	-	-	(594,000)
Balance, October 31, 2022	-	1,364,000	37,500	4,562,847	5,964,347
Addition					
Cash	-	-	20,000	-	20,000
Common shares and units	-	-	12,000	-	12,000
Impairment	-	-	(69,500)	-	(69,500)
October 31, 2023	-	1,364,000	-	4,562,847	5,926,847
Exploration costs					
Balance, October 31, 2021	-	141,797	-	1,370,731	1,512,528
Addition	-	49,238	71,049	886,066	1,006,353
Balance, October 31, 2022	-	191,035	71,049	2,256,797	2,518,881
Addition	-	-	-	109,007	109,007
Impairment	-	-	(71,049)	-	(71,049)
Balance, October 31, 2023	-	191,035	-	2,365,804	2,556,839
Balance, October 31, 2022	**-**	**1,555,035**	**108,549**	**6,819,644**	**8,483,228**
Balance, October 31, 2023	**-**	**1,555,035**	**-**	**6,928,651**	**8,483,686**

Exploration and evaluation costs were comprised of:

	Folkstone	Blue Cove	Kena Project
	$	*$*	*$*
For the year ended October 31, 2022			
Assays	-	9,086	227,105
Drilling	-	-	296,734
Exploration	-	-	68,249
Field supplies	-	-	85,340
Geological consulting	49,238	61,963	253,301
Licenses and permits	-	-	4,575
Total	49,238	71,049	886,066
For the year ended October 31, 2023			
Assays	-	-	65,084
Exploration	-	-	905
Field supplies	-	-	201
Geological consulting	-	-	9,876
Licenses and permits	-	-	3,984
Other	-	-	200
Transportation and freight	-	-	28,757
Total	-	-	109,007

(Expressed in Canadian Dollars)

5. LOANS PAYABLE

During the year ended October 31, 2023, the Company received loans totaling $45,000 from a shareholder of the Company and $6,285 from the CEO of the Company. The loans are unsecured, bear no interest and are payable on demand. As at October 31, 2023, the balance of the loans payable was $51,285 (2022 – $nil).

6. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Consolidation

Effective November 15, 2023, the Company completed the consolidation of its common shares on the basis of one post-consolidation common share for each 10 pre-consolidation common share. These consolidated financial statements reflect the share consolidation for all shares, warrants, options and per share amounts retrospectively.

c) Issued and outstanding – 6,146,230 common shares including 265,500 held in escrow as at October 31, 2023.

During the year ended October 31, 2023, the Company had the following share capital transactions:

i. The Company issued 20,000 shares pursuant to the exercise of restricted stock units.

ii. The Company issued 30,000 shares at a fair value of $12,000 pursuant to the termination agreement for the Blue Cove Copper Property.

During the year ended October 31, 2022, the Company had the following share capital transactions:

i. The Company issued 25,000 common shares in connection with the acquisitions of mineral property assets described in Note 4. The estimated fair value of the common shares at issuance was $27,500.

ii. The Company cancelled 16,500 shares amounting to $70,800 due to incorrect registrations made in the previous year.

d) Stock options

During the year ended October 31, 2021, the Company adopted an incentive stock option plan (the "Option Plan") which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Subject to earlier termination, all options granted under the Option Plan will expire not later than the date that is ten years from the date of the grant.

The balance of share purchase options outstanding and exercisable as at October 31, 2023 and 2022 and the changes for the years then ended are as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life Remaining
	#	$	(years)
Balance, October 31, 2021 and 2022	**348,000**	**6.30**	**8.23**
Forfeited options	(282,000)	6.20	-
Balance, October 31, 2023	**66,000**	**6.66**	**7.19**

No stock options were issued during the years ended October 31, 2023 and 2022.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

d) Stock options (continued)

As at October 31, 2023 the following share purchase options were outstanding and exercisable:

Expiry Date	Exercise price	Remaining life	Options outstanding
	$	(years)	#
November 4, 2030	2.40	7.02	24,000
December 28, 2030	3.00	7.16	10,000
February 26, 2031	11.00	7.33	32,000
			66,000

e) Warrants

The balance of warrants outstanding as at October 31, 2023 and 2022 and the changes for the years ended are as follows:

	Number of Warrants #	Weighted Average Exercise Price $	Weighted Average Life Remaining (years)
Balance, October 31, 2021	3,034,558	5.10	1.10
Expired	(418,241)	7.80	-
Balance, October 31, 2022	**2,616,317**	**4.70**	**0.23**
Expired	(2,616,317)	4.70	-
Balance, October 31, 2023	**-**	**-**	**-**

The balance of agent warrants outstanding as at October 31, 2023 and 2022 and the changes in the periods ended is as follows

	Number of Warrants #	Weighted Average Exercise Price $	Weighted Average Life Remaining (years)
Balance, October 31, 2021 and 2022	**174,335**	**4.00**	**0.24**
Expired	(174,335)	4.00	-
Balance, October 31, 2023	**-**	**-**	**-**

f) Restricted stock units

During the year ended October 31, 2022, the Company issued 600,000 restricted stock units with estimated fair value of $600,000. The restricted stock units vested immediately. The Company determined the fair value of the restricted stock units granted using the quoted market price on the grant date. This has been recorded as share-based compensation expense in the statement of loss and comprehensive loss.

The balance of restricted stock units outstanding as at October 31, 2023 and 2022 and the changes in the years ended are as follows:

	Number of RSUs	Exercise Price $
Balance, October 31, 2021	**-**	**-**
Granted	600,000	1.00
Balance, October 31, 2022	**600,000**	**1.00**
Exercised	(20,000)	1.00
Forfeited	(240,000)	1.00
Balance, October 31, 2023	**340,000**	**1.00**

(Expressed in Canadian Dollars)

7. FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability is as follows:

	$
Balance, October 31, 2021	175,019
Reduction pursuant to incurring qualified expenditures	(175,019)
Balance, October 31, 2023 and 2022	-

8. TERMINATED QUALIFYING TRANSACTION AND LOAN RECEIVABLE

The Company entered into a non-binding letter of intent ("LOI") on December 4, 2019 in connection with a proposed acquisition of 1Five2 Tech Solutions Ltd ("152 Tech"). The proposed acquisition was intended to qualify as the Company's Qualifying Transaction and was expected to proceed by way of a "three-cornered amalgamation" under which a wholly-owned subsidiary of the Company would amalgamate with 152 Tech.

In conjunction with the execution of the LOI, the Company provided 152 Tech with a loan in the amount of $25,000. The loan was unsecured, bore interest at 6% per year, compounded monthly, and was repayable on the date which was 90 days after the date on which the LOI was terminated for any reason other than the execution of the definitive agreement.

The Company also provided a line of credit loan (the "Secured Loan") of $225,000 to 152 Tech. The Secured Loan was secured against all of the assets of 152 Tech. The Secured Loan bore interest at 6% per year, compounded monthly; and was repayable on the date which was 90 days after the date on which the LOI was terminated for any reason other than the execution of the definitive agreement.

During the year ended October 31, 2021, the LOI expired and the proposed acquisition was terminated. The loan remained unpaid past its due date. The Company recorded interest revenue of $16,280 on the loans advanced to 152 Tech. As at October 31, 2021, the total loan receivable balance was $280,231. On October 31, 2022, the Company assessed the collectability of the loan receivable and deemed it irrecoverable. Accordingly, an impairment expense of $280,231 was recorded in the statement of loss and comprehensive loss for the year ended October 31, 2022.

9. RELATED PARTY TRANSACTIONS AND BALANCES

Key management of the Company includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and directors of the Company. The Company incurred the following charges with directors and officers of the Company and/or companies controlled by them during the years ended October 31, 2023 and 2022:

	October 31, 2023	October 31, 2022
	$	$
Consulting fees	180,882	360,000
Professional fees	47,500	114,000
Share-based compensation	-	150,000
	228,382	624,000

During the year ended October 31, 2023, the Company paid consulting fees of $112,500 (2022 – $180,000) to companies controlled by the former CEOs of the Company, paid professional fees of $47,500 (2022 – $114,000) to a company controlled by the former CFO of the Company, paid consulting fees of $23,382 (2022 – $nil) to a company in which the CFO of the Company is a shareholder, and paid consulting fees of $45,000 (2022 – $180,000) to a company controlled by a former director of the Company.

As at October 31, 2023, the Company owes $135,773 (2022 - $Nil) to related parties. Related party transactions are measured at the exchange amount of consideration agreed between the related parties. Related party balances are non-interest bearing, unsecured, and due on demand.

(Expressed in Canadian Dollars)

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of equity.

The Company manages the 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 its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company is not subject to any capital requirements imposed by a regulator. There was no change to the Company's approach to capital management during the year.

11. FINANCIAL INSTRUMENTS

a) Fair value of financial instruments

The Company's financial instruments consist of cash, marketable securities, term deposit, accounts payable and accrued liabilities, and loans payable.

The Company classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

As at October 31, 2023, the Company believes that the carrying values of cash, marketable securities, term deposits, accounts payables, and loans payable approximate their fair values because of their nature and relatively short maturity dates or durations.

Fair Value Measurements Using

	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
October 31, 2023				
Cash	3,157	-	-	3,157
Marketable securities	18,000	-	-	18,000
Term deposit	57,500	-	-	57,500
Total	78,657	-	-	78,656
October 31, 2022				
Cash	681,751	-	-	681,751
Marketable securities	32,000	-	-	32,000
Term deposit	57,500	-	-	57,500
Total	771,251	-	-	771,251

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS (continued)

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk
Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with a reputable Canadian bank. The credit risk related to cash is considered minimal.

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company's loans payable are non-interest bearing.

Liquidity risk
The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

12. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	2023	2022
Canadian statutory income tax rate	27%	27%
	$	$
Current income tax recovery at statutory rate	(305,079)	(824,880)
Effect of income taxes of:		
Permanent differences and others	209,247	126,505
Change in deferred tax assets not recognized	95,832	698,375
Deferred income tax recovery	-	-

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	2023	2022
	$	$
Non-capital loss carry forwards	2,119,937	1,478,621
Shares issuance cost	95,048	95,048
Marketable securities	15,390	11,610
Mineral properties	(361,614)	187,650
Deferred tax assets not recognized	(1,868,761)	(1,772,929)
	-	-

(Expressed in Canadian Dollars)

12. INCOME TAXES (continued)

The Company has losses carried forward of approximately $7,851,600 (2022 - $6,758,900) available to reduce income taxes in future years which expire between 2037 and 2043. These losses expire as follows:

	$
2037	1,300
2038	44,600
2039	72,500
2040	122,000
2041	4,394,900
2042	2,123,600
2043	1,092,700
	7,851,600

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

13. SUBSEQUENT EVENTS

- On November 6, 2023, 265,500 of the Company's shares, which were held in escrow, have been released. The Company's escrow share balance is now Nil.
- On December 15, 2023, the Company closed a non-brokered private placement raising gross proceeds of $150,000 through issuance of 3,000,000 units at a price of $0.05 per unit. Each unit consists of one common share and one common share purchase warrant. The one common share purchase warrant is priced at $0.065 per warrant, which has an expiry date of two years after the date of issuance.
- On January 15, 2024, the Company granted 550,000 stock options to consultants of the Company and an aggregate of 100,000 restricted share units to certain directors and officers of the Company. Each option is exercisable for one common share at a price of $0.26 for five years. The stock options and RSUs vest immediately.