LEOCOR GOLD INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED OCTOBER 31, 2023 AND 2022

Expressed in Canadian Dollars

SHIM

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Leocor Gold Inc.

Opinion

We have audited the accompanying consolidated financial statements of Leocor Gold Inc. (the "Company"), which comprise the statements of financial position as at October 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditors' report thereon, included in Management's Discussion and Analysis report.

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.

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, 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Dong H. Shim.

"SHIM & Associates LLP"

Chartered Professional Accountants
Vancouver, Canada
February 23, 2024

LEOCOR GOLD INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars

	October 31, 2023	October 31, 2022
	$	$
ASSETS		
Current		
Cash and cash equivalents	3,805,209	5,499,645
Receivable	31,591	309,798
Prepaid expenses	24,064	109,231
	3,860,864	5,918,674
Exploration and evaluation assets (Note 5)	3,391,351	9,519,649
TOTAL ASSETS	**7,252,215**	**15,438,323**
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	215,294	525,685
	215,294	**525,685**
Equity		
Share capital (Note 7)	17,619,325	17,352,158
Share-based payment reserve (Note 7)	1,746,920	1,746,920
Deficit	(12,329,324)	(4,186,440)
	7,036,921	**14,912,638**
TOTAL LIABILITIES AND EQUITY	**7,252,215**	**15,438,323**

Nature and continuance of operations (Note 1)
Commitments (Note 11)
Subsequent event (Note 12)

Approved and authorized for issue on behalf of the Board on February 23, 2024:

On behalf of the Board:

"Alex Klenman"
Director

"Brian Shin"
Director

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

LEOCOR GOLD INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Expressed in Canadian Dollars

	Years ended October 31,	
	2023	**2022**
	$	$
EXPENSES		
Audit fee	20,000	50,850
Consulting and management fees	100,625	241,000
Filing and transfer agent fees	50,248	52,842
Foreign exchange	960	1,837
Geological consulting	36,719	8,907
Interest expense	7,682	-
Legal fees	4,312	13,718
Marketing	25,075	179,966
Office and administration	93,288	133,243
Share-based compensation (Note 7)	-	121,402
Operating expenses	(338,909)	(803,765)
OTHER ITEMS		
Impairment of exploration and evaluation assets (Note 5)	(8,004,715)	-
Interest income	155,290	72,213
Government rebate	45,450	-
Flow-through shares tax recovery (Note 7)	-	225,046
Net loss and comprehensive loss	(8,142,884)	(506,506)
Basic and diluted loss per share	$ (0.14)	$ (0.01)
Weighted average number of common shares outstanding	57,726,302	54,420,042

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

LEOCOR GOLD INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Expressed in Canadian Dollars

	Number of common shares	Share capital	Share-based payment reserve	Deficit	Total equity
		$	$	$	$
Balance, October 31, 2021	**53,878,069**	**16,515,472**	**1,746,920**	**(3,679,934)**	**14,582,458**
Shares issued for exploration and evaluation assets	2,463,333	555,584	-	-	555,584
Shares issued for exercise of options	366,000	281,102	(121,402)	-	159,700
Share based compensation	-	-	121,402	-	121,402
Loss for the year	-	-	-	(506,506)	(506,506)
Balance, October 31, 2022	**56,707,402**	**17,352,158**	**1,746,920**	**(4,186,440)**	**14,912,638**
Shares issued for exploration and evaluation assets	2,416,666	267,167	-	-	267,167
Loss for the year	-	-	-	(8,142,884)	(8,142,884)
Balance, October 31, 2023	**59,124,068**	**17,619,325**	**1,746,920**	**(12,329,324)**	**7,036,921**

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

LEOCOR GOLD INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars

	Years ended October 31, 2023	2022
	$	$
OPERATING ACTIVITIES		
Net loss for the year	(8,142,884)	(506,506)
Adjustments for non-cash items		
Flow-through shares tax recovery	-	(225,046)
Impairment of exploration and evaluation assets	8,004,715	-
Accrued interest expense	7,293	-
Share-based compensation	-	121,402
Changes in working capital		
Increase in prepaid expenses	85,167	(75,325)
Increase in receivable	278,207	(162,090)
Increase in accounts payable and accrued liabilities	(317,684)	115,805
	(85,186)	(731,760)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(1,609,250)	(3,109,153)
	(1,609,250)	(3,109,153)
FINANCING ACTIVITIES		
Shares issued for exercise of options	-	159,700
	-	159,700
Decrease in cash	(1,694,436)	(3,681,213)
Cash, beginning	5,499,645	9,180,858
Cash, ending	3,805,209	5,499,645

SUPPLEMENTAL CASH DISCLOSURES AND NON-CASH TRANSACTIONS

	2023	2022
	$	$
Interest paid	388	-
Income taxes paid	-	-
Shares issued for exploration and evaluation assets	267,167	555,584

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Leocor Gold Inc. (the "Company") was incorporated under the *British Columbia Business Corporations Act* on July 26, 2018 as Leocor Ventures Inc. On July 28, 2020, the Company changed its name to Leocor Gold Inc. The Company's registered and records office is located on the 10th Floor, 595 Howe Street, Vancouver BC.

The Company completed the Initial Public Offering ("IPO") and its shares were listed on the Canadian Securities Exchange on June 18, 2019 and commenced trading on June 21, 2019 under the symbol "LECR". The Company is in the exploration stage and its principal business activity is the search for, and exploration of mineral properties.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. At October 31, 2023, the Company has not generated revenue or cash flow from operations to adequately fund its activities and has therefore relied upon external financing for its operational expenses. These factors form a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company plans to continue relying upon external financing to finance its future activities but there can be no assurance that such financing will be available on a timely basis and/or on terms acceptable to the Company.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

These factors, among others, could have a significant impact on the Company's operations.

The carrying value of the Company's exploration and evaluation assets do not reflect current or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

These consolidated financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's recoverability of assets, classification of assets and liabilities, and results of operations and the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

(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"). These consolidated financial statements were approved by the Board of Directors of the Company on February 23, 2024.

(b) Principle of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Hare Bay Resources Corp. ("Hare Bay") (inactive holding company) from the date of its acquisition (Note 5). All inter-company balances have been eliminated upon consolidation.

(c) Basis of presentation

These consolidated financial statements have been prepared on a 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. The presentation and functional currency of the Company is the Canadian dollar.

(d) Significant accounting judgements and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and expenses during the reporting period. Actual results could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of the revision and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made, relate to determination of fair value of financial instruments.

2. BASIS OF PREPARATION (continued)

In preparing the financial statements, management makes judgments regarding the application of IFRS for the Company's accounting policies. Significant judgments relate to the following areas:

(i) Going concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company has disclosed a material uncertainty regarding going concern in Note 1 which requires the use of management's judgment on the ability of the Company to continue its operations and to develop or acquire a self-sustaining business or assets.

(ii) Income taxes

In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

(iii) Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

(iv) Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

2. BASIS OF PREPARATION (continued)

(c) Significant accounting judgements and estimates (continued)

(v) Decommissioning restoration provision

The Company will record a provision for decommissioning and restoration provision based on management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-adjusted discount rate for the discounting future cash outflows. Changes in the above factors can results in a change to the provision recognized by the Company. Changes to any restoration and decommissioning costs are recorded with a corresponding change to the carrying amount of the related mining property. Adjustments to the carrying amounts of the related mineral property can result in a change to future depletion expenses.

While management believes judgements and the estimates are reasonable, actual results could differ from those judgements and estimates and could impact future results of operations and cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash equivalents

Cash equivalents include short term deposits which are readily convertible into a known amount of cash.

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated, the capitalized costs of the related property are first tested for impairment and then reclassified to mining assets and amortized over the estimated useful life of the property.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Exploration and evaluation assets are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

The costs include the cash or other consideration and the assigned value of shares issued, if any, on the acquisition of exploration and evaluation assets. Costs related to properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The Company does not accrue the estimated future cost of maintaining its exploration and evaluation assets in good standing.

Capitalized costs as reported on the statements of financial position represent costs incurred to date and may not reflect actual, present, or future values. Recovery of carrying value is dependent upon future commercial success or proceeds from disposition of the exploration and evaluation property interests.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

Management assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Write-downs due to impairment in value are charged to profit or loss.

General exploration costs not related to specific properties and general administrative expenses are charged to profit or loss in the period in which they are incurred.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration 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 restoration asset will be depreciated on the same basis as other mining assets. As at October 31, 2023 and 2022, the Company had no future restoration costs.

The Company's estimates of restoration 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 restoration 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 amount and timing of the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

Share-based compensation

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

Share issue costs

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basic and diluted loss per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the periods presented, this calculation proved to be anti-dilutive.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable are classified under financial liabilities at amortized cost.

As at October 31, 2023, the Company does not have any derivative financial liabilities.

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred tax

Deferred tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in International Accounting Standard ("lAS") 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards issued but not yet effective

There were no standards issued but not yet effective up to the date of issuance of the Company's financial statements that might significantly impact the Company.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and accounts payable.

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments and in accordance with the fair value hierarchy has the following levels:

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

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

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value of cash is determined using level 1 of the fair value hierarchy. The carrying values of accounts payable approximate their fair values due to the expected maturity of these financial instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered minimal.

The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet its commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding from third parties. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity price risk.

i. Interest rate risk

Some of the Company's accounts payable are subject to interest on unpaid balances.

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in foreign exchange. The Company has minimal exposure to foreign currency transactions during the year ended October 31, 2023 and 2022.

iii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

Expressed in Canadian Dollars

5. EXPLORATION AND EVALUATION ASSETS

During the year ended October 31, 2023, the Company incurred the following exploration and evaluation costs related to mineral properties:

	Baie Verte portfolio	Star Trek	Hodge Hill	Leamington	Robert's Arm	Joe's Lake	Total
	$	$	$	$	$	$	$
Balance, October 31, 2022	**2,001,992**	**2,851,083**	**1,183,862**	**1,919,968**	**1,549,994**	**12,750**	**9,519,649**
Additions:							
Acquisition:							
Cash	70,000	75,000	75,000	75,000	75,000	10,000	380,000
Shares	44,667	52,000	55,000	55,000	55,000	5,500	267,167
Total additions to acquisition	114,667	127,000	130,000	130,000	130,000	15,500	647,167
Exploration:							
Admin expenses	15,942	13,554	5,116	8,017	7,285	-	49,914
Assays	52,363	4,846	38,994	14,212	5,833	-	116,248
Geological	63,761	45,121	35,273	42,170	75,950	-	262,275
Field expenses	163,106	98,197	178,719	202,134	106,989	-	749,145
Surveying	-	5,500	-	-	1,189	-	6,689
Travel and accommodation	19,128	2,350	4,727	3,998	14,776	-	44,979
Total additions to exploration	314,300	169,568	262,829	270,531	212,022	-	1,229,250
Total expenses during the year	428,967	296,568	392,829	400,531	342,022	15,500	1,876,417
Impairment	-	(3,147,651)	(1,537,323)	(1,728,269)	(1,591,472)	-	(8,004,715)
Balance, October 31, 2023	**2,430,959**	**-**	**39,368**	**592,230**	**300,544**	**28,250**	**3,391,351**

Expressed in Canadian Dollars

5. EXPLORATION AND EVALUATION ASSETS (continued)

During the year ended October 31, 2022, the Company incurred the following exploration and evaluation costs related to mineral properties:

	Baie Verte portfolio	Star Trek	Hodge Hill	Leamington	Robert's Arm	Joe's Lake	Total
	$	$	$	$	$	$	$
Balance, October 31, 2021	**853,936**	**2,737,332**	**492,669**	**922,236**	**848,739**	**-**	**5,854,912**
Additions:							
Acquisition:							
Cash	430,000	-	-	-	-	7,500	437,500
Shares	90,334	-	115,000	172,500	172,500	5,250	555,584
Total additions to acquisition	520,334	-	115,000	172,500	172,500	12,750	993,084
Exploration:							
Assays	20,321	-	-	323	-	-	20,644
Geological	32,800	350	3,900	49,150	26,250	-	112,450
Surveying	220,902	100,162	534,319	710,047	472,971	-	2,038,401
Field expenses	353,699	13,239	37,974	65,712	29,534	-	500,158
Total additions to exploration	627,722	113,751	576,193	825,232	528,755	-	2,671,653
Total expenses during the year	1,148,056	113,751	691,193	997,732	701,255	12,750	3,664,737
Balance, October 31, 2022	**2,001,992**	**2,851,083**	**1,183,862**	**1,919,968**	**1,549,994**	**12,750**	**9,519,649**

5. EXPLORATION AND EVALUATION ASSETS (continued)

Baie Verte portfolio

The Baie Verte portfolio includes the Dorset, Five Mile Brook, Dorset Extension, and Copper Creek projects.

Dorset Gold Project (part of Baie Verte portfolio)

On April 22, 2020, the Company entered into an options agreement to acquire 100% interest in Dorset Gold Project consisting of two mineral claims located in the Province of Newfoundland and Labrador, Canada. To earn the interest the Company must:

(a) pay a total of $1,250,000 cash as follows:
   i. $100,000 on the closing date (paid);
   ii. $50,000 on or before April 22, 2021 (paid);
   iii. $100,000 on or before April 22, 2022 (amended - see below);
   iv. $400,000 on or before April 22, 2023 (amended - see below); and
   v. $600,000 on or before April 22, 2024 (amended - see below).

(b) incur exploration expenditures of no less than $1,500,000 as follows:
   i. $150,000 on or before April 22, 2022 (incurred);
   ii. $200,000 on or before April 22, 2023 (incurred);
   iii. $400,000 on or before April 22, 2024; and
   iv. $750,000 on or before April 22, 2025.

The property is subject to a 2% Net Smelter Returns Royalty (“NSR”).

On February 8, 2022, the Company agreed to amend the terms by which the Company can acquire the Dorset gold project located in the province of Newfoundland.

The amended agreement replaces the existing property option agreement, dated April 22, 2020.

Under the terms of the amended agreement, the Company will continue to hold a right to acquire up to a 100% interest in the project. Considerations for the acquisition are as below:

(a) pay a total of $550,000 cash as follows:
   i. $100,000 on the closing date (paid);
   ii. $50,000 on or before the date which is 12 months from the Closing Date, i.e., February 10, 2023 (paid);
   iii. $200,000 on or before February 28, 2022 (paid); and
   iv. $200,000 on or before February 28, 2023 (paid – see below).

On October 25, 2022, the amended agreement was amended with respect to the fourth payment in the amount of $200,000 that was due on or before February 28, 2023. Under the amended agreement dated October 25, 2022, the Company agreed to pay $180,000 in full and as final cash consideration on or before October 31, 2022 (paid).

5. EXPLORATION AND EVALUATION ASSETS (continued)

Dorset Gold Project (part of Baie Verte portfolio) (continued)

(b) by issuing to the Optionor 1,000,000 shares, as follows:
   i. 333,333 shares on or before February 28, 2022 (issued) (Note 7);
   ii. 333,333 shares on or before February 28, 2023 (issued) (Note 7); and
   iii. 333,334 shares on or before February 28, 2024.

Five Mile Brook and Copper Creek Project (part of Baie Verte portfolio)

On August 11, 2020 (amended on January 20, 2021) the Company entered into an options agreement to acquire 100% interest in Copper Creek Project and Five Mile Brook, consisting of fifty-five claims located in the Province of Newfoundland and Labrador, Canada. To earn the interest the Company must:

(a) pay a total cash of $250,000 and issue 600,000 shares as follows:
   i. $25,000 (paid) and issue 50,000 shares (issued) on August 11, 2020;
   ii. $25,000 (paid) and issue 100,000 shares (issued) on or before August 11, 2021;
   iii. $40,000 (paid) and issue 100,000 shares (issued) on or before August 11, 2022 (Note 7);
   iv. $60,000 (paid) and issue 100,000 shares (issued) on or before August 11, 2023 (Note 7); and
   v. $100,000 and issue 250,000 shares on or before August 11, 2024.

(b) incur exploration expenditures of no less than $1,650,000 as follows:
   i. $15,000 on or before December 31, 2020 (incurred);
   ii. $135,000 on or before August 11, 2021 (incurred);
   iii. $350,000 on or before August 11, 2022 (incurred);
   iv. $500,000 on or before August 11, 2023 (incurred); and
   v. $650,000 on or before August 11, 2024.

Upon earning a 100% interest in the property, the Company shall grant the optionor a 2% NSR.

Dorset Extension (part of Baie Verte portfolio)

On January 21, 2021, the Company entered into an options agreement to acquire 100% interest in 13 mineral claims comprising approximately 325 hectares located in Newfoundland and Labrador. To earn the interest the Company must:

(a) pay a total cash of $45,000 as follows:
   i. $10,000 on January 21, 2021 (paid);
   ii. $10,000 on or before January 21, 2022 (paid);
   iii. $10,000 on or before January 21, 2023 (paid);
   iv. $15,000 on or before January 21, 2024;

Upon earning a 100% interest in the property, the Company shall grant the optionor a 2% NSR. The Company has the right to purchase 1% NSR for $1,000,000 at any time.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Star Trek Property - terminated

On December 19, 2020, the Company entered into an assignment agreement with and between Hare Bay Resources Corp. and White Metal Resources Corp. ("WHM") to acquire a 70% interest in the property commonly known as the Star Trek Property located about 20 kms east of Gander, Central Newfoundland.

In order to exercise the option, the Company must:

(a) make $125,000 in cash payments to WHM over two years, as follows:
  i. $50,000 on or before October 5, 2021 (paid); and
  ii. an additional $75,000 on or before October 5, 2022 (paid).

(b) issue 866,666 Company Shares to White Metal over two years, as follows:
  i. 133,333 within 5 days after closing of the Transaction (issued);
  ii. an additional 300,000 on or before October 5, 2021 (issued); and
  iii. an additional 433,333 on or before October 5, 2022 (issued) (Note 7).

(c) incur exploration expenditures of at least $900,000 over three years, as follows:
  i. $150,000 on or before October 5, 2021 (incurred);
  ii. an additional $250,000 on or before October 5, 2022 (incurred); and
  iii. an additional $500,000 on or before October 5, 2023.

The property is subject to underlying 2% NSR granted by Sokoman Minerals Corp. ("Sokoman") in favour of the initial vendor, one half of which (1%) may be purchased by Sokoman for a payment to the initial vendor of $1,000,000 cash. The 1% NSR in favour of Sokoman may be purchase by WHM as follows: 0.5% NSR for a payment of $500,000 cash to Sokoman, and 0.5% NSR for a payment of $175,000 cash and the issuance to Sokoman of that number of shares equaling $250,000 based on the volume weighted average price of the previous five trading days.

Subsequent to the year end, the Company terminated the option agreement with WHM and recorded an impairment loss of $3,147,651 for the year ended October 31, 2023.

Hodge's Hill Project

On March 23, 2021 the Company entered into an option agreement to acquire 100% interest in Hodge's Hill Project. To earn the interest the Company must

(a) pay a total cash of $502,000 and issue 3,000,000 shares as follows:
  i. $102,000 (paid) and issue 500,000 shares (issued) on or before March 28, 2021;
  ii. issue 500,000 shares (issued) on or before March 23, 2022 (Note 7);
  iii. $75,000 (paid) and issue 500,000 (issued) shares on or before March 23, 2023 (Note 7);
  iv. $75,000 and issue 500,000 shares on or before March 23, 2024;
  v. $100,000 and issue 500,000 shares on or before March 23, 2025; and
  vi. $150,000 and issue 500,000 shares on or before March 23, 2026.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Hodge's Hill Project (continued)

(b) incur exploration expenditures of no less than $2,725,000 as follows:
  i. $325,000 on or before November 15, 2021 (incurred);
  ii. $400,000 on or before November 15, 2022 (incurred);
  iii. $500,000 on or before November 15, 2023 (not yet incurred, extended);
  iv. $750,000 on or before November 15, 2024; and
  v. $750,000 on or before November 15, 2025.

Upon the commencement of commercial production, the Company shall pay to the vendors a 2.5% NSR. The Company is entitled at any time and from time to time to purchase a 1% NSR for $2,500,000.

Subsequent to the year-end, the Company reduced size of the claim block related to the Hodge's Hill Project and, as a result, recorded an impairment loss of $1,537,323 for the year ended October 31, 2023.

Leamington Project

On March 23, 2021 the Company entered into an option agreement to acquire 100% interest in Leamington Project. To earn the interest, the Company must

(a) pay a total cash of $562,000 and issue 4,000,000 shares as follows:
  i. $162,000 (paid) and issue 1,000,000 shares (issued) on or before March 28, 2021;
  ii. issue 750,000 shares (issued) on or before March 23, 2022 (Note 7);
  iii. $75,000 (paid) and issue 500,000 (issued) shares on or before March 23, 2023 (Note 7);
  iv. $75,000 and issue 500,000 shares on or before March 23, 2024;
  v. $100,000 and issue 500,000 shares on or before March 23, 2025; and
  vi. $150,000 and issue 750,000 shares on or before March 23, 2026.

(b) incur exploration expenditures of no less than $3,625,000 as follows:
  i. $500,000 on or before November 15, 2021 (incurred);
  ii. $625,000 on or before November 15, 2022 (incurred);
  iii. $750,000 on or before November 15, 2023 (not yet incurred, extended);
  iv. $750,000 on or before November 15, 2024; and
  v. $1,000,000 on or before November 15, 2025.

Upon the commencement of commercial production, the Company shall pay to the vendors a 2.5% NSR. The Company is entitled at any time and from time to time to purchase a 1% NSR for $2,500,000.

Subsequent to the year-end, the Company reduced size of the claim block related to the Leamington Project and, as a result, recorded an impairment loss of $1,728,269 for the year ended October 31, 2023.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Robert's Arm Project

On March 23, 2021, the Company entered into an option agreement to acquire 100% interest in Robert's Arm Project. To earn the interest, the Company must

(a) pay a total cash of $511,000 and issue 4,000,000 shares as follows:
   i. $111,000 (paid) and issue 1,000,000 shares (issued) on or before March 28, 2021;
   ii. issue 750,000 shares (issued) on or before March 23, 2022 (Note 7);
   iii. $75,000 (paid) and issue 500,000 (issued) shares on or before March 23, 2023 (Note 7);
   iv. $75,000 and issue 500,000 shares on or before March 23, 2024;
   v. $100,000 and issue 500,000 shares on or before March 23, 2025; and
   vi. $150,000 and issue 750,000 shares on or before March 23, 2026.

(b) incur exploration expenditures of no less than $3,000,000 as follows:
   i. $340,000 on or before November 15, 2021 (incurred);
   ii. $400,000 on or before November 15, 2022 (incurred);
   iii. $510,000 on or before November 15, 2023 (not yet incurred, extended);
   iv. $750,000 on or before November 15, 2024; and
   v. $1,000,000 on or before November 15, 2025.

Upon the commencement of commercial production, the Company shall pay to the vendors a 2.5% NSR. The Company is entitled at any time and from time to time to purchase a 1% NSR for $2,500,000.

Subsequent to the year-end, the Company reduced the size of the claim block related to the Robert's Arm Project and, as a result, recorded an impairment loss of $1,591,472 for the year ended October 31, 2023.

Joe's Lake Project

On September 14, 2022, the Company entered into an option agreement to acquire 100% interest in Joe's Lake Project. To earn the interest, the Company must

(a) pay a total cash of $100,000 and issue 655,000 shares as follows:
   i. $7,500 (paid) and issue 30,000 shares (issued) on closing date (Note 7);
   ii. $10,000 (paid) and issue 50,000 (issued) shares on or before September 14, 2023 (Note 7);
   iii. $10,000 and issue 75,000 shares on or before September 14, 2024;
   iv. $15,000 and issue 100,000 shares on or before September 14, 2025;
   v. $25,000 and issue 150,000 shares on or before September 14, 2026; and
   vi. $32,500 and issue 250,000 shares on or before September 14, 2027.

(b) incur exploration expenditures of no less than $100,000 as follows:
   i. $10,000 on or before September 14, 2023 (not incurred, extended);
   ii. $10,000 on or before September 14, 2024;
   iii. $15,000 on or before September 14, 2025;
   iv. $15,000 on or before September 14, 2026;
   v. $25,000 on or before September 14, 2027; and
   vi. $25,000 on or before September 14, 2028.

Upon the commencement of commercial production, the Company shall pay to the vendors a 2.0% NSR. The Company is entitled at any time and from time to time to purchase a 1% NSR for $1,000,000

Expressed in Canadian Dollars

6. FLOW THROUGH SHARE PREMIUM LIABILITY

Flow through share premium liabilities include the liability portion of the flow through shares issued. The following is a continuity schedule of the liability portion of the flow through shares issuances.

	$
Balance at October 31, 2021	225,046
Settlement of flow-through share liability on incurring expenditures	(225,046)
Balance at October 31, 2022 and 2023	-

On July 13, 2021, the Company completed a non-brokered private placement of 4,165,466 flow-through common shares at a price of $0.60 per share, for gross proceeds of $2,499,280. A premium of $0.10 per share was received for the flow through shares.

The Company has provided an indemnification to subscribers of flow through shares in an amount equal to the income tax that would be payable by subscribers in the event, and as a consequence, of the Company not incurring and renouncing qualifying Canadian Exploration Expenditures (“CEE”) as required under the subscription agreement. Companies must pay Part XII.6 tax, when it utilizes the “look-back” rule, in respect of each month in the year of renunciation equal to the balance of funds that have not been spent on qualifying CEE times the current prescribed interest rate. If funds remain unspent at the end of the year, there is an extra tax levy of 1/10 of the unspent balance.

7. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Share Capital

(a) Authorized:

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

(b) Issued and Outstanding Shares

As at October 31, 2023, 59,124,068 common shares were issued and outstanding.

7. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Share Capital (continued)

On August 11, 2023, 100,000 common shares valued at $8,000 were issued as a payment for Copper Creek Project (part of Baie Verte portfolio) (Note 5).

On May 15, 2023, 50,000 common shares valued at $5,500 were issued a payment for Joe's Lake Project (Note 5).

On March 24, 2023, 500,000 common shares valued at $75,000 were issued for each of the Hodge Hill, Leamington, and Robert's Arm properties, respectively, as payments (Note 5).

On February 27, 2023, 333,333 common shares valued at $36,667 were issued as a payment for Dorset Property (Note 5).

On December 13, 2022, 433,000 common shares valued at $52,000 were issued as a payment for Star Trek Property (Note 5)

On October 5, 2022, 30,000 common shares valued at $5,250 were issued as a payment for Joe's Lake Project (Note 5).

On September 30, 2022, 750,000 common shares valued at $172,500 were issued as a payment for Robert's Arm Project (Note 5).

On September 30, 2022, 750,000 common shares valued at $172,500 were issued as a payment for Leamington Project (Note 5).

On September 30, 2022, 500,000 common shares valued at $115,000 were issued as a payment for Hodge Hill Project (Note 5).

On September 20, 2022, 333,333 common shares valued at $63,334 were issued at a value as a payment for Dorset Gold Project (Note 5).

On August 11, 2022, 100,000 common shares valued at $27,000 were issued as a payment for Five Mile Brook and Copper Creek Project (Note 5).

On March 29, 2022, 100,000 common shares were issued on exercise of options at $0.40 per share. The fair value of $21,038 was deducted from share-based payment reserve to share capital.

On December 1, 2021, 266,000 common shares were issued through exercise of options at $0.45 per share. The fair value of $100,364 was deducted from share-based payment reserve to share capital.

Expressed in Canadian Dollars

7. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Warrants

During the year ended October 31, 2023, 22,340,697 warrants expired (2022 - 115,430 warrants expired). There were no additional warrants granted or expired during the years ended October 31, 2023 and 2022.

A summary of changes in warrants during the years ended October 31, 2023 and 2022:

	Number of warrants outstanding	Exercise price
		$
Balance, October 31, 2021	**28,034,027**	**0.70**
Expired	(115,430)	0.50
Balance, October 31, 2022	**27,918,597**	**0.70**
Expired	(22,340,697)	0.75
Balance, October 31, 2023	**5,577,900**	**0.50**

A summary of warrants outstanding at October 31, 2023:

Grant Date	Expiry Date	Outstanding	Remaining Life (years)	Exercise price
				$
August 7, 2020	August 7, 2024	5,577,900	0.77	0.50
Outstanding, October 31, 2023		**5,577,900**	**0.77**	**0.50**

Expressed in Canadian Dollars

7. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Stock options

On November 23, 2021, the Company granted 266,000 stock options to a consultant of the Company. The stock options are exercisable for a period of 5 years at a price of $0.45. The stock options vested immediately. The fair value of $100,364 of the stock options granted was calculated using Black-Scholes option pricing model with the following assumptions: stock price - $0.45; exercise price - $0.45; expected life – five years; volatility – 123%; dividend yield – $nil; and risk-free rate – 1.58%.

On March 22, 2022, the Company granted 100,000 stock options to a consultant of the Company. The stock options are exercisable for a period of 2 years at a price of $0.40. The stock options vested immediately. The fair value of $21,038 of the stock options granted was calculated using Black-Scholes option pricing model with the following assumptions: stock price - $0.36; exercise price - $0.40; expected life – two years; volatility – 121%; dividend yield – $nil; and risk-free rate – 2.09%.

There were no additional options granted or expired during the year ended October 31, 2023.

The weighted average remaining life of the stock options outstanding as at October 31, 2023 is 2.24 years.

A summary of changes in stock options during the years ended October 31, 2023 and 2022:

	Number of options outstanding	Exercise price	
Balance, October 31, 2021	**1,300,000**	**$**	**0.85**
Granted	366,000	$	0.44
Exercised	(366,000)	$	0.44
Cancelled	(150,000)	$	0.87
Balance, October 31, 2022 and 2023	**1,150,000**	**$**	**0.85**

A summary of options outstanding and exercisable at October 31, 2023:

Grant Date	Expiry Date	Outstanding	Exercisable	Remaining Life (years)	Exercise price
					$
July 23, 2020	July 23, 2025	550,000	550,000	1.73	0.80
July 13, 2021	July 13, 2026	600,000	600,000	2.70	0.90
Balance, October 31, 2023		**1,150,000**	**1,150,000**	**2.24**	**0.85**

Expressed in Canadian Dollars

8. KEY MANAGEMENT COMPENSATION AND RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Amounts paid and accrued to key management are included in general expenses as follows:

	2023	2022
	$	$
Administration fees	-	30,000
Consulting fees and management fees	80,000	120,000
Total key management compensation	**80,000**	**150,000**

There were no payables to related parties as at October 31, 2023 and 2022.

9 INCOME TAXES

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.

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

	Year ended October 31, 2023	**Year ended October 31, 2022**
	$	**$**
Net loss	(8,142,884)	(506,506)
Expected income tax expense (recovery)	(2,198,600)	(136,800)
Permanent differences and other	(1,300)	32,800
Impact of flow-through shares	-	364,600
Change in deferred tax assets not recognized	2,199,900	(260,600)
Deferred income tax recovery	-	-

Expressed in Canadian Dollars

9 INCOME TAXES (continued)

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

Deferred tax assets (liabilities)	**October 31, 2023**	**October 31, 2022**
	$	**$**
Non-capital loss carry forwards	1,086,500	969,500
Mineral properties	1,515,200	(646.000)
Share issuance costs	149,400	227,700
Deferred tax assets not recognized	(2,751,100)	(551,200)
	-	-

The Company has losses carried forward of approximately $4,024,000 (2022 - $3,590,000) available to reduce income taxes in future years which expire in 2038 - 2042. In addition, the Company has accumulated Canadian Exploration Expenses and Canadian Development Expenses for income tax purposes of approximately $9,003,000. The expenditures pools can be carried forward indefinitely to be applied against income of future years.

10. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of its mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended October 31, 2023. The Company is not subject to externally imposed capital requirements.

11. COMMITMENTS

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.

12. SUBSEQUENT EVENT

On January 8, 2024, the Company announced that it has completed its strategic investment in Intrepid Metals Corp. (“Intrepid”). The Company has subscribed for and acquired 6,600,000 units (each, a "Unit") and 2,223,529 pre-funded special warrants (each, a "Special Warrant") of Intrepid at a price of $0.34 per Unit and Special Warrant for an aggregate investment of $3 million.

Each Unit consists of one common share of Intrepid and one common share purchase warrant (each a "Warrant") entitling the Company to acquire one additional common share at a price of $0.45, as amended, for a period of two years. Each Special Warrant entitles the Company to acquire one Unit, for no additional consideration, but subject to an exercise limitation such that the Company may not exercise if it would result in them having beneficial ownership over common shares in excess of 19.9%, for a period of five years.

In connection with completion of the investment, the Company has received the right to nominate two members of the board of directors of Intrepid. Initially, the Company has nominated Alex Klenman and Brian Shin, both of which were appointed to the board of directors of Intrepid upon completion of the investment.

Prior to completion of the investment, the Company did not hold any securities of Intrepid. As a result of the closing of the Investment, Leocor now holds 6,600,000 common shares equal to approximately 19.98% of the issued and outstanding common shares of Intrepid. The Company holds an additional (i) 6,600,000 Warrants that if exercised will result in the issuance of 6,600,000 common shares and (ii) 2,223,529 Special Warrants that if exercised (including the underlying Warrants issued upon exercise of the Special Warrants) will result in the issuance of an additional 4,447,058 common shares of Intrepid.

If all convertible securities held by the Company are exercised it would result in the Company holding 17,647,058 common shares of Intrepid equal to approximately 40.03% of the then issued and outstanding common shares of the Company. However, the convertible securities held by the Company are subject to an exercise limitation such that the Company may not exercise if it would result in them having beneficial ownership over common shares in excess of 19.9%.

The Company has acquired the securities of Intrepid for investment purposes. Depending on market conditions and other factors, the Company may from time to time acquire or dispose of securities of Intrepid or continue to hold its current position.