METALITE RESOURCES INC.

(Formerly RooGold Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

dntw
CHARTERED PROFESSIONAL ACCOUNTANTS
DNTW TORONTO LLP

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Metalite Resources Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Metalite Resources Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023, and the consolidated statements of loss and comprehensive loss, consolidated statement of changes in shareholders' (deficiency) equity, and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 in the financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2023 and, as of that date, the Company's current liabilities exceeded its total assets. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. The 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 of the Material Uncertainty Related to Going Concern described above, we have determined that there are no other key audit matters to communicate in our report.

Other Matter

The consolidated financial statements of the Company for the year ended December 31, 2022 and 2021, were audited by another auditor who expressed an unmodified opinion on those statements on April 28, 2023.

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Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended December 31, 2023, which we obtained prior to the date of this auditor's 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 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and,

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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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

DNTW Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants

April 30, 2024

Markham, Ontario

Metalite Resources Inc.
(Formerly RooGold Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at,		December 31, 2023		December 31, 2022
ASSETS				
Current				
Cash and cash equivalents	$	**13,399**	$	471,064
Accounts receivables		**13,377**		67,831
Prepaid expenses		**9,969**		45,488
Assets related to operations to be woundup (note 17)		**6,993**		-
Total current assets		**43,738**		584,383
Non-current				
Site restoration deposits (note 4)		**9,001**		120,253
Vehicle (note 5)		**-**		31,028
Right of use asset (note 6)		**64,523**		-
Total assets	**$**	**117,262**	$	735,664
LIABILITIES				
Current				
Accounts payable and accrued liabilities (note 12)	$	**198,393**	$	126,947
Lease liability (note 7)		**9,295**		-
Liabilities related to operations to be woundup (note 17)		**235,887**		-
Total current liabilities		**443,575**		126,947
Non-current				
Lease liability (note 7)		**45,971**		-
Total liabilities		**489,546**		126,947
SHAREHOLDER'S (DEFICIENCY) EQUITY				
Share capital (note 8)		**15,210,750**		11,974,501
Shares to be issued		**-**		56,250
Share-based payments reserve		**913,292**		368,347
Accumulated other comprehensive loss		**(11,614)**		(11,358)
Deficit		**(16,484,712)**		(11,779,023)
Total shareholder's (deficiency) equity		**(372,284)**		608,717
Total liabilities and shareholder's (deficiency) equity	**$**	**117,262**	$	735,664

Nature of operations and going concern (note 1)
Subsequent events (note 17)

Approved on behalf of the Board:

"David Melling"
Director

"Mario Miranda"
Director

Metalite Resources Inc.
(Formerly RooGold Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating expenses		
Administration expenses (note 12)	**$ 85,847**	$ 87,783
Depreciation (note 5 and 6)	**15,659**	8,372
Exploration expenditures (note 4 and 12)	**123,150**	559,722
Management fees (note 12)	**236,626**	341,001
Marketing and shareholder communication	**128,329**	470,395
Professional fees	**375,254**	437,794
Transfer agent and filing fees	**67,568**	55,454
Share-based compensation (note 9)	**106,076**	238,426
Foreign exchange (gain) loss	**1,061**	(16,607)
Gain on sale of vehicle	**(4,349)**	-
Transaction costs	**3,898,136**	-
Net loss for the year	**5,033,357**	2,182,340
Translation difference on foreign operations	**(256)**	(14,223)
Comprehensive loss for the year	**$ 5,033,101**	$ 2,168,117
Net loss per share		
- basic and diluted (note 11)	**$ 0.36**	$ 0.30
Weighted average number of common shares outstanding		
- basic and diluted (note 11)	**13,955,798**	7,234,348

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

Metalite Resources Inc.
(Formerly RooGold Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating activities		
Net loss for the period	**$ (5,033,357)**	$ (2,182,340)
Items not affecting cash:		
Transaction costs	**3,898,136**	-
Share-based compensation	**106,076**	238,426
Foreign exchange	**(8,400)**	(14,369)
Depreciation	**15,659**	8,372
Interest paid	**4,482**	-
Gain on sale of vehicle	**(4,349)**	-
Changes in non-cash working capital items:		
Accounts receivables	**54,454**	(40,431)
Prepaid expenses	**35,519**	24,657
Assets related to operations to be woundup	**(6,993)**	-
Liabilities related to operations to be woundup	**235,887**	-
Accounts payable and accrued liabilities	**180,616**	(77,553)
Net cash used in operating activities	**(522,270)**	(2,043,238)
Investing activities		
Purchase of equipment	**-**	(39,400)
Return (payment) of site restoration deposits	**111,252**	-
Lease obligation expense	**(20,908)**	-
Acquisition costs net of cash acquired from acquisitions	**-**	(82,051)
Proceeds from sale of vehicle	**26,511**	-
Net cash provided by (used in) investing activities	**116,855**	(121,451)
Financing activities		
Proceeds from issuance of shares (net of issuance costs)	**-**	551,986
Subscription receipts (net of issuance costs)	**-**	(434,566)
Shares to be issued	**(56,250)**	56,250
Warrants exercised	**4,000**	28,330
Net cash (used in) provided by financing activities	**(52,250)**	202,000
Decrease in cash and cash equivalents	**(457,665)**	(1,962,689)
Cash and cash equivalents, beginning of year	**471,064**	2,433,753
Cash and cash equivalents, end of year	**$ 13,399**	$ 471,064

Supplemental information		
Cash and cash equivalents consist of:		
Cash	**$ 13,399**	$ 446,064
Guaranteed investment certificate ("GIC")	**$ -**	$ 25,000
Non-Cash investing and financing activities		
Common shares issued pursuant to NextGen (note 4(f))	**$ 2,899,968**	$ -
Fair value of warrants (note 4(f) and 8)	**$ 769,274**	$ 9,420
Common shares issued to settle debt	**$ 329,544**	$ -

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

Metalite Resources Inc.
(Formerly RooGold Inc.)
Consolidated Statements of Changes in (Deficiency) Equity
For the years ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Subscriptions receipts	Shares to be issued	Share-based payments reserve	Accumulated Other Comprehensive (Loss) Income	Deficit	Total
Balance, December 31, 2021	**6,973,546**	**$ 11,391,845**	**$ 434,566**	**$ -**	**$ 132,925**	**$ 2,865**	**$ (9,597,347)**	**$ 2,364,854**
Management contract	-	-	-	56,250	-	-	-	56,250
Private placement (net of cash issuance costs)	239,950	551,986	(434,566)	-	-	-	-	117,420
Fair-value of agent's warrants issued	-	(9,420)	-	-	9,420	-	-	-
Warrants exercised	42,495	40,090	-	-	(11,760)	-	-	28,330
Share-based compensation	-	-	-	-	238,426	-	-	238,426
Expired warrants	-	-	-	-	(664)	-	664	-
Cumulative translation adjustment	-	-	-	-	-	(14,223)	-	(14,223)
Net loss for the year	-	-	-	-	-	-	(2,182,340)	(2,182,340)
Balance, December 31, 2022	**7,255,991**	**$ 11,974,501**	**$ -**	**$ 56,250**	**$ 368,347**	**$ (11,358)**	**$(11,779,023)**	**$ 608,717**
Amalgamation of Next Generation Resources Inc.	7,249,920	2,899,968	-	-	769,274	-	-	3,669,242
Share for debt	10,763,613	329,544	-	(56,250)	-	-	-	273,294
Exercise of warrants	16,000	6,737	-	-	(2,737)	-	-	4,000
Share-based compensation	-	-	-	-	106,076	-	-	106,076
Expired options	-	-	-	-	(132,203)	-	132,203	-
Expired warrants	-	-	-	-	(195,465)	-	195,465	-
Cumulative translation adjustment	-	-	-	-	-	(256)	-	(256)
Net loss for the year	-	-	-	-	-	-	(5,033,357)	(5,033,357)
Balance, December 31, 2023	**25,285,524**	**$ 15,210,750**	**$ -**	**$ -**	**$ 913,292**	**$ (11,614)**	**$(16,484,712)**	**$ (372,284)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

On April 1, 2019, Metalite Resources Inc. ("Metalite" or the "Company"; formerly RooGold Inc.) was incorporated under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources in Liberia, and New South Wales, Australia. Metalite is a public company whose common shares trade on the Canadian Securities Exchange ("CSE") under the symbol METL. On March 21, 2023, the Company changed its name to Metalite Resources Inc., and its symbol for the common shares traded on the CSE was changed to METL from ROO. On October 20, 2023, the Company consolidated its share capital on a 1 new to 10 old shares basis. All share and per share amounts have been retroactively restated for all prior periods to reflect the share consolidation.

The Company's head office address is 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

Going concern of operations

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

As of December 31, 2023, the Company has not generated any revenues and has an accumulated deficit of $16,484,712 (December 31, 2022 - $11,779,023) since inception. The Company's continued existence and plans for future growth depend on its ability to obtain additional capital. Next Generation Resources Inc ("NextGen"), a subsidiary of the Company filed for an assignment under Section 49 of the Bankruptcy and Insolvency Act (Canada), effective February 12, 2024 (note 17).

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

The above material uncertainties raise significant doubt about the Company's ability to continue as a going concern. Although these consolidated financial statements have been prepared on a going concern basis, the Company's continuing operations are dependent upon its ability to obtain adequate financing through equity or debt issuances.

2. BASIS OF PREPARATION

Statement of compliance

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

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on April 30, 2024.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION (continued)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its 100% owned Canadian and Australian subsidiaries as listed in the table below. All significant inter-company transactions and balances have been eliminated on consolidation. During the year ended December 31, 2023, the Company deregistered Southern Precious Metals Corp. Pty Ltd. and APMC Holdings Pty Ltd.

Name of Subsidiary	Place of Operation	Ownership Interest	Principal Activity
Southern Precious Metals Ltd.	Canada	100%	Holding company
1267248 B.C. Ltd	Canada	100%	Holding company
Aussie Precious Metals Corp.	Canada	100%	Holding company
Next Generation Resources Inc.	Canada	100%	Holding company
Southern Precious Metals Corp. Pty Ltd.	Australia	N/A	Australian operating entity - Deregistered
Great Southern Precious Metals Pty Ltd.	Australia	100%	Australian operating entity
APMC Holdings Pty Ltd.	Australia	N/A	Australian operating entity - Deregistered
Next Generation Resources Inc Liberia	Liberia	100%	Liberian operating entity

Functional currency and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency. The functional currency of each individual entity is measured using the currency of the primary economic environment in which the entity operates. The functional currency of Southern Precious Metals Corp. Pty Ltd, Great Southern Precious Metals Pty Ltd, and APMC Holdings Pty Ltd., are Australian dollar, all other entities functional currency is the Canadian Dollar.

Use of judgments and estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

The critical judgments management has made in the process of applying the Company's accounting policies, apart from those involving estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements include but not limited to the following:

(i) Going concern

The going concern presentation of the consolidated financial statements assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

(ii) Determination of functional currency

Under IFRS, each entity must determine its own functional currency, which becomes the currency that entity measures its results and financial position in. In determining the functional currencies of the Company and its subsidiaries, the Company considered many factors, including the currency that mainly influences sales prices for the currency of the country whose competitive forces and regulations mainly determine the sales prices, and other costs for each consolidated entity.

2. BASIS OF PREPARATION (continued)

Use of judgments and estimates (continued)

The critical judgments management has made in the process of applying the Company's accounting policies, apart from those involving estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements include but not limited to the following: (continued)

(iii) Business combination vs asset acquisition

Management has to apply judgment relating to acquisitions with respect to whether the acquisition was a business combination or an asset acquisition. Management applies a three element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs to each acquisition in order to reach a conclusion.

The most significant accounts that require estimates as the basis for determining the stated amounts include, but are not limited to the following:

(i) Share-based payments

When stock options and warrants are issued by the Company, it calculates their estimated fair value using the Black-Scholes option pricing model, which may not reflect the actual value on exercise. The Company uses publicly available rates, where available, as inputs into the model including volatility assumptions. The Company recognizes the fair value of stock options on the consolidated statement of loss when vesting occurs.

(ii) Fair market value of acquired net assets in an asset acquisition

Management estimates the fair value of the acquired identifiable net assets and any contingent consideration at the date of acquisition. The fair values assigned through the allocation of the purchase price to net assets are based on numerous estimates that affect the valuation of certain assets and liabilities acquired including discount rates, future cash flows, fair value of any contingent consideration, replacement cost, depreciation, and other factors.

3. MATERIAL ACCOUNTING POLICIES

The Company's accounting policies and its standards of financial disclosure set out below are in accordance with IFRS and have been applied consistently throughout the period presented in these consolidated financial statements, unless otherwise stated.

Cash and cash equivalents

Cash includes deposits held at call and term deposits with financial institutions. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts and term deposits, which have a maturity of three months or less from the date of acquisition or are cashable at any time.

Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through amortization of the asset and unwinding of the discount on the provision.

3. MATERIAL ACCOUNTING POLICIES (continued)

Decommissioning liabilities (Continued)

Amortization is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset and charged against operating profit or loss. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

As at December 31, 2023 and 2022, the Company had not incurred any decommissioning liabilities related to the exploration of its mineral properties.

Exploration and evaluation

Exploration and evaluation ("E&E") expenditures include the direct costs of mineral exploration rights, licenses, technical services and studies, environmental studies, exploration drilling and testing, production scale manufacturing tests, directly attributable overhead and administrative expenses including remuneration of operating personnel and supervisory management, and all costs relating to the acquisition of mineral properties determined to be the acquisition of assets and liabilities for accounting purposes.

E&E expenditures are expensed as incurred to the date that costs incurred are determined to be economically recoverable, the assessment of which would require the completion of a feasibility study that demonstrates a positive commercial outcome, and for the Company to decide to move forward with development of the property into a commercial operation such that it is probable that the future economic benefits will flow to the Company.

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit and loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows. The Company has classified cash, accounts receivables, and site restoration deposits as amortized cost.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Assets (continued)

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statement of financial position with changes in fair value recognized in other income or expense in the consolidated statement of loss.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statement of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statement of loss and comprehensive loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. Accounts payable and accrued liabilities are measured at amortized cost.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statement of loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Common shares, stock options, and share purchase warrants are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

Classification of financial instruments

The following is a summary of significant categories of financial instruments outstanding at December 31, 2023:

Cash and cash equivalents	Amortized cost
Accounts receivables	Amortized cost
Site restoration deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Carrying values and fair values of financial assets and liabilities are approximately equal, given their nature.

Fair value hierarchy

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

3. MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency translation

The reporting currency of the Company is the Canadian dollar. The functional currency of the Company and its Canadian subsidiaries is the Canadian dollar, and the functional currency of the Australian subsidiaries is the Australian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation of monetary assets and liabilities not denominated in the functional currency of an entity at period end exchange rates are recognized in the statement of loss.

Management determines the functional currency by examining the primary economic environment in which it operates. The Company considers the following factors in determining its functional currency:

i. The currency that mainly influence operating costs;

ii. The currency in which funds from financing activities are generated;

iii. The currency in which receipts from operating activities are usually retained; and

iv. Whether the activities are carried out as an extension of the Company rather than being carried out with a significant degree of autonomy.

The financial statements of entities that have a functional currency different from the presentation currency of financial statements are translated into Canadian dollars as follows: assets and liabilities at the closing rate at the date of the statement of financial position, and income and expenses at the average rate of the period (as this is considered a reasonable approximation to actual rates). All resulting changes are recognized in cumulative translation adjustments within accumulated other comprehensive (loss) income.

Asset acquisition

Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Transactions that do not constitute a business combination are accounted for as an asset acquisition, whereby the cost of the acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the assets acquired and liabilities assumed are assigned a carrying amount based on their relative fair values. No goodwill is recognized on acquisitions that represent the purchase of assets.

Income taxes

The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred income taxes and liabilities are recognized to reflect the expected deferred tax consequences arising from temporary differences between the carrying value and the tax bases of the deferred tax assets and liabilities and are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. MATERIAL ACCOUNTING POLICIES (continued)

Income taxes (continued)

The following temporary differences do not result in deferred tax assets or liabilities:

i. the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit; and
ii. investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.
iii. initial recognition of goodwill

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Vehicle

Vehicle is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of a vehicle consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Depreciation is recognized based on the cost of an item, less its estimated residual value, over its estimated useful life using a declining balance rate of 30%.

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis. An item is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of loss.

Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under any residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms with a corresponding increase to share-based payment reserve. Consideration paid for the shares on the exercise of stock options is credited to capital stock together with the amount previously recognized in share-based payment reserve. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share-based payments reserve is transferred to accumulated losses (deficit). The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

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

3. MATERIAL ACCOUNTING POLICIES (continued)

Warrants

The Company accounts for warrants including warrants issued to brokers in connection with the issuance of shares (“broker warrants”) using the fair value method. Under this method, the fair value of broker warrants is first determined based on the value of goods or services received. In situations where some or all of the goods or services received by the Company as consideration cannot be specifically identified, the fair value of broker warrants is then determined using the Black-Scholes valuation model.

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

Upon exercise of the warrants, consideration paid together with the amount previously recognized in share-based payment reserve is recorded as an increase to capital stock. Upon forfeiture or expiry of the warrants, the amount previously recognized in the share-based payment reserve is transferred to deficit.

Loss per share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the period.

Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, any stock options or warrants outstanding are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Adoption of new accounting policies

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

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

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

The Company adopted the amendment on January 1, 2023, the adoption of these amendments did not have any material impact on the Company’s consolidated financial statements.

Disclosure initiative – accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Beginning on January 1, 2023, the Company adopted the amendments to IAS 1, Presentation of Financial Statements (IAS 1) and IFRS Practice Statement 2, Making Materiality Judgements. These amendments help companies provide useful accounting policy disclosures and requires the disclosure of material accounting policy information rather than disclosing significant accounting policies. The adoption of these amendments did not have a material impact on the consolidated financial statements.

(In Canadian Dollars, except where noted)

4 EXPLORATION AND EVALUATION

Exploration and acquisition costs for the year ended December 31, 2023 is as follows:

	Acquisition costs	Assays	Claim costs [2]	Field costs	Geological	Total
Imperial (d) [1]	$ -	$ -	$ -	$ 1,337	$ -	**$ 1,337**
Gold belt (b)	-	-	-	-	2,466	**2,466**
Blue Bell (b)	-	-	-	-	247	**247**
Glenrock (e)	-	-	-	-	224	**224**
Goodwins Reef (b)	-	-	-	-	224	**224**
Arthur's Seat (b)	-	-	3,191	-	36,073	**39,264**
Castle Rag (b)	-	-	-	-	6,412	**6,412**
Silver Creek (b)	-	-	-	-	224	**224**
Dingo (b)	-	-	-	-	11,363	**11,363**
Gold Star (b)	-	-	-	-	13,168	**13,168**
Trilby (c)	20,642	-	4,245	-	-	**24,887**
Lorne (c)	20,642	-	2,692	-	-	**23,334**
Total	**$ 41,284**	**$ -**	**$ 10,128**	**$ 1,337**	**$ 70,401**	**$ 123,150**

[1] Cost for reclamation of roads and drill sites built.
[2] Costs for relinquishment of title.

Exploration and acquisition costs for the year ended December 31, 2022 is as follows:

	Acquisition costs	Assays	Claim costs	Field costs	Geological	Total
Imperial (d)	$ -	$ -	$ -	$ 14,717	$ -	**$ 14,717**
Malebo (a)	-	-	3,584	-	2,394	**5,978**
Solomons (a)	-	-	2,572	-	1,852	**4,424**
Gold belt (b)	-	-	7,214	-	14,101	**21,315**
Easedowns (b)	-	-	3,903	-	8,273	**12,176**
Blue Bell (b)	-	-	2,604	-	10,187	**12,791**
Glensrock (e)	-	-	6,654	-	26,333	**32,987**
Goodwins Reef (b)	-	-	3,444	-	10,187	**13,631**
Arthur's Seat (b)	-	28,927	9,397	1,530	58,210	**98,064**
Castle Rag (b)	-	-	7,243	-	25,199	**32,442**
Silver Creek (b)	-	-	2,450	-	10,171	**12,621**
Dingo (b)	-	-	8,330	2,105	30,868	**41,303**
Gold Star (b)	-	-	9,483	3,771	80,032	**93,286**
Trilby (c)	8,875	-	15,596	4,750	41,293	**70,514**
Lorne (c)	8,875	-	3,571	8,734	72,309	**93,489**
Total	**$ 17,750**	**$ 28,927**	**$ 86,045**	**$ 35,607**	**$ 391,409**	**$ 559,738**

(a) Malebo and Solomons, New South Wales, Australia

During the year ended December 31, 2023, the Company relinquished the title to Malebo and Solomons.

(b) Gold Belt, Easedowns, Blue Bell, Goodwins Reef, Arthur’s Seat, Castle Rag, Silver Creek, Dingo and Gold Star Properties, New South Wales, Australia

During the year ended December 31, 2023, the Company relinquished the title to Blue Bell, Goodwins Reef, Silver Creek, Goldbelt, Castle Rag, and Dingo. During the year ended December 31, 2022, the Company has relinquished the title to Easedowns. The Company remaining project is Arthur's Seat.

(In Canadian Dollars, except where noted)

4. EXPLORATION AND EVALUATION (continued)

(c) Trilby and Lorne Properties, New South Wales

During the year ended December 31, 2023 the Company relinquished the title to Trilby and Lorne.

(d) Imperial Property, Nevada

The Company abandoned the project during the year ended December 31, 2021. Costs in 2022 related to reclamation of roads and drill sites built.

(e) Glenrock

During the year ended December 31, 2023 the Company relinquished the title to Glenrock.

(f) Liberia

On February 21, 2023, the Company closed the acquisition of Next Generation Resources Inc. ("NextGen"). The transaction was structured as a three-cornered amalgamation completed pursuant to an amalgamation agreement (the "Definitive Agreement") entered into between the Company, a newly incorporated wholly-owned subsidiary of the Company and NextGen. Pursuant to the terms of the Definitive Agreement, in connection with the amalgamation Metalite issued a total of 7,249,920 common shares, 2,990,160 common share purchase warrants and 168,800 agent warrants.

The 215,200 warrants with an exercise price of $0.25 contain an accelerated expiry provision such that if the closing price of the common shares in the capital of the Company on the Canadian Stock Exchange is in excess of $0.25 for a period of 10 consecutive trading days then the expiry date shall be accelerated to the date that is 30 days following the date that is 7 days after the end of the 10 consecutive trading day period referenced above. The 168,800 agent warrants also have an exercise price of $0.25 and are subject to the same acceleration clause. 2,574,960 of the common share purchase warrants have an exercise price of $1.00 until February 21, 2024 and an exercise price of $1.25 from February 22, 2024 until February 21, 2025. The final 200,000 warrants have an exercise price of $0.625. All of such warrants expire on February 21, 2025. The fair value of these warrant at the date of grant was estimated at $769,274 using the Black-Scholes option pricing model with the following assumptions: share price - $0.40; risk free interest rate – 4.23%; expected volatility – 149.1% -150.9%; expected dividend yield - nil; expected life - 2 - 2.14 years.

The transaction does not constitute a business combination as NextGen and its subsidiary does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of these entities has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are assigned a carrying amount based on their relative fair values. Upon closing of the transaction, NextGen and its subsidiary became a subsidiaries of the Company. The net assets acquired pursuant to the acquisition are as follows:

Purchase price allocation of net assets acquired:	Preliminary	Adjustments	Total
Cash	$ 215,271	$ -	$ 215,271
Prepaid expenses	39,468	1,519	40,987
Exploration and evaluation assets	3,746,130	1,453	3,747,583
Accounts payables and accrued liabilities	(331,627)	(2,972)	(334,599)
Total net assets acquired	$ 3,669,242	$ -	$ 3,669,242

Purchase price:	Preliminary	Adjustments	Total
Issuance of shares	$ 2,899,968	$ -	$ 2,899,968
Warrants issued	769,274	-	769,274
Total purchase price	$ 3,669,242	$ -	$ 3,669,242

(In Canadian Dollars, except where noted)

4. EXPLORATION AND EVALUATION (continued)

(f) Liberia (continued)

In accordance with the Company's accounting policy all exploration and evaluation assets acquired are expensed.

In July 2023, the Company decided to abandon the property in Liberia. In February 2024, NextGen has filed an assignment under Section 49 of the Bankruptcy and Insolvency Act (Canada) (Note 17). As at December 31, 2023, NextGen is not operational and does not have the financial resources to repay its debts. Further, the Company is in discussions with a trustee in bankruptcy to negotiate a settlement with Next Generation's creditors and oversee the liquidation of this subsidiary. Given the above, the Company has presented the assets and liabilities of NextGen as assets and liabilities of operations to be woundup and has reclassified NextGen's exploration expenditures as transaction costs.

Deposits

As at December 31, 2023, the Company has deposits with the Ministry of New South Wales of $9,001 (10,000AUD) (December 31, 2022 - $120,253 (130,000 AUD)).

5. VEHICLES

	Cost	Depreciation	Net book value
Balance, December 31, 2021	**$ -**	**$ -**	**$ -**
Additions	39,400	(8,372)	31,028
Balance, December 31, 2022	**39,400**	**(8,372)**	**31,028**
Additions	-	(8,490)	(8,490)
Disposals	(39,400)	16,862	(22,538)
Balance, December 31, 2023	**$ -**	**$ -**	**$ -**

6. RIGHT-OF-USE ASSETS

Right-of-use assets consist of mining equipment amortized over 60 months.

	Amount
Balance, December 31, 2022	**$ -**
Additions	71,692
Depreciation	(7,169)
Balance, December 31, 2023	**$ 64,523**

7. LEASE LIABILITY

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 15% which was the incremental borrowing rate when the lease liability was incurred. The lease liabilities are operating-type leases for office equipment and its premises. The continuity of the lease liabilities is presented in the table below:

	Amount
Balance, December 31, 2022	**$ -**
Additions	71,692
Interest expense	4,482
Lease payments	(20,908)
Balance, December 31, 2023	**$ 55,266**

(In Canadian Dollars, except where noted)

7. LEASE LIABILITY (continued)

Maturity analysis - contractual undiscounted cash flows		
As at December 31, 2023		
Less than one year	$	16,963
Greater than one year		59,370
Total	**$**	**76,333**

		Amount
As at December 31, 2023		
Current	$	9,295
Non-current		45,971
Total	**$**	**55,266**

8. COMMON SHARES

Authorized

As at December 31, 2023 and 2022, the authorized share capital of the Company is an unlimited number of common shares without par value. On October 20, 2023, the Company consolidated its share capital on a 1 new to 10 old shares basis. The number of shares and per share amounts have been retroactively adjusted to reflect the share consolidation.

Issued share capital

	Number of shares	**Share capital**
Balance, December 31, 2021	**6,973,546**	**$ 11,391,845**
Private placement (net of cash issuance costs) (i)	239,950	551,986
Fair-value of agent's warrants issued (i)	-	(9,420)
Warrants exercised (ii)	42,495	40,090
Balance, December 31, 2022	**7,255,991**	**$ 11,974,501**
Acquisition of NextGen (note 4(f))	7,249,920	2,899,968
Debt settlement (i)	10,763,613	329,544
Warrants exercised (iii)	16,000	6,737
Balance, December 31, 2023	**25,285,524**	**$ 15,210,750**

(i) On January 20, 2022, the Company closed a second tranche of its previously announced non-brokered unit private placement, on a post-consolidation basis, by issuing 239,950 units at $2.50 per unit and raising $599,875. Each unit consists of a common share and a half (1/2) a common share purchase warrant, each whole warrant entitling the holder to purchase an additional common share at $4.00 per share for a two year period from closing. The term of the Warrants is subject to an accelerator clause that the Company can elect to trigger if the Company's share price trades above $5.00 for 30 consecutive trading days. In connection with the private placement, the Company incurred closing cost of $47,889, and 69,760 agent warrants, each agent warrant entitling the holder to purchase a common share at $3.20 for a two year period. The term of the agent's warrants is subject to an accelerator clause that the Company can elect to trigger if Metalite's shares trade above $5.00 for 30 consecutive trading days.

(In Canadian Dollars, except where noted)

8. COMMON SHARES (continued)

Issued share capital (continued)

(i) (continued)

The fair value of the agent's warrants was calculated to be $9,420 using the Black-Scholes method which was charged to share issue costs. The fair value of the agent's warrants at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - $2.50; risk free interest rate – 0.47%; expected volatility – 116.40% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 years.

(ii) During the year ended December 31, 2022, 42,495 share purchase warrants were exercised at $0.67 for gross proceeds of $28,330. Upon the exercise of 42,495 Agents’ warrants the fair value of $11,760 was transferred from share-based payments reserve to share capital.

(iii) During the year ended December 31, 2023, 16,000 Agents' purchase warrants were exercised at $0.25 for gross proceeds of $4,000. Upon the exercise of 16,000 Agents’ warrants the fair value of $2,737 was transferred from share-based payments reserve to share capital.

(iv) During the year ended December 31, 2023, the Company entered into share for debt agreements and issued 10,763,613 shares to settle aggregate debt of $329,544. As part of the debt settlement agreement the Company issued 2,090,003 to the CEO, VP of exploration, and a company controlled by the employer of the CFO, to settle debt of $69,336 (note 12).

9. STOCK OPTIONS

The Company has implemented a stock option plan (“the Plan”) to be administered by the Board of Directors. Pursuant to the Plan the Board of Director’s has discretion to grant options for up to a maximum of 10% of the issued and outstanding common shares of the Company at the date the options are granted. The option price under each option shall be not less than the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded, and shall not be more than ten years after the grant date. No related persons shall be granted or cumulatively have options in excess of 5% of the total shares issued and outstanding. On October 20, 2023, the Company consolidated its share capital on a 1 new to 10 old shares basis. The number of options and per option amounts have been retroactively adjusted to reflect the share consolidation.

The following table reflects the continuity of stock options for the years presented:

	Number of stock options	**Weighted average exercise price ($)**
Balance, December 31, 2021	**57,500**	**2.650**
Granted (ii)(iii)(iv)	800,000	1.111
Forfeited (ii)(iii)(iv)	(133,333)	2.810
Balance, December 31, 2022	**724,167**	**0.920**
Forfeited (iii)(iv)	(99,167)	2.670
Balance, December 31, 2023	**625,000**	**0.640**

(i) On November 5, 2021, the Company granted stock options to consultants of the Company for the purchase of a total of 57,500 common shares. The options are exercisable for a period of two years at an exercise price of $2.65 per share and vest after three months. The fair value of these options at the date of grant was estimated at $74,210 using the Black-Scholes option pricing model with the following assumptions: share price - $2.65; risk free interest rate – 0.54%; expected volatility – 108% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 years. During the year ended December 31, 2023, the Company recognized $nil in share-based compensation (December 31, 2022 - $29,318), in connection with the options granted.

(In Canadian Dollars, except where noted)

9. STOCK OPTIONS (continued)

(ii) On February 9, 2022, the Company granted 75,000 stock options to the former VP of Exploration. The stock options vested 25,000 on February 9, 2022, and the remainder vesting 25,000 each year on the anniversary. The stock options have an exercise price of $2.50 and are exercisable for a period of five years, expiring February 9, 2027. The fair value of these options at the date of grant was estimated at $118,775 using the Black-Scholes option pricing model with the following assumptions: share price - $2.00; risk free interest rate – 1.13%; expected volatility – 116.73%; expected dividend yield - nil; expected life - 5 years. During the year ended December 31, 2023, the Company recognized $nil (December 31, 2022 - $39,592) in share-based compensation, in connection with the option grant. In October 2022, the VP of Exploration left the Company, and 50,000 of the unvested option were forfeited immediately, with the remainder being forfeited in January 2023.

(iii) On March 4, 2022 the Company granted 100,000 stock options to the former Chief Executive Officer ("CEO"), and President, of which 16,667 stock options vest every six months starting on September 4, 2022. The stock options have an exercise price of $3.00 and are exercisable for a period of five years, expiring March 4, 2027. The fair value of these options at the date of grant was estimated at $110,410 using the Black-Scholes option pricing model with the following assumptions: share price - $0.15; risk free interest rate – 1.14%; expected volatility – 115.73%; expected dividend yield - nil; expected life - 5 years. During the year ended December 31, 2023, the Company recognized $nil (December 31, 2022 - $18,401) in share-based compensation, in connection with the option grant. In November 2022, the former CEO left the Company, and 83,333 of the unvested option were forfeited immediately, with the remainder being forfeited in February 2023.

(iv) On March 17, 2022, the Company granted 35,000 stock options to a Director of which 8,750 stock options vest every six months starting September 17, 2022. The stock options have an exercise price of $3.00 and are exercisable for a period of five years, expiring March 17, 2027. The fair value of these options at the date of grant was estimated at $41,380 using the Black-Scholes option pricing model with the following assumptions: share price - $0.15; risk free interest rate – 1.15%; expected volatility – 116.20%; expected dividend yield - nil; expected life - 5 years. During the year ended December 31, 2023, the Company recognized $13,308 (December 31, 2022 - $41,380), in share-based compensation, in connection with the option grant. The remaining unvested options received accelerated vesting terms due primarily to the departure of the director. The unvested options vested on April 28, 2023, and the stock options now will expire on April 28, 2024.

(v) On December 29, 2022, the Company granted 590,000 stock options to Officers and Directors of which 256,250 stock options vest on June 29, 2023, and the remainder vest immediately. The stock options have an exercise price of $0.50 and are exercisable for a period of five years, expiring December 29, 2027. The fair value of these options at the date of grant was estimated at $216,090 using the Black-Scholes option pricing model with the following assumptions: share price - $0.50; risk free interest rate – 3.37%; expected volatility – 116.67%; expected dividend yield - nil; expected life - 5 years. During the year ended December 31, 2023, the Company recognized $92,768, (December 31, 2022 - $123,322), in share-based compensation, in connection with the option grant. During the year ended December 31, 2023 options totaling 243,750 received accelerated vesting terms due primarily to the departure of certain directors. The unvested options vested on March 15, 2023, and April 28, 2023, and the stock options now will expire on March 17, 2023, and April 28, 2024.

The following table reflects the stock options issued and outstanding as of December 31, 2023:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 17, 2024	0.50	0.21	402,500	402,500
April 28, 2024	0.50	0.33	162,500	162,500
April 28, 2024	3.00	0.33	35,000	35,000
December 29, 2027	0.50	4.00	25,000	25,000
	0.64	**0.40**	**625,000**	**625,000**

(In Canadian Dollars, except where noted)

10. WARRANTS

On October 20, 2023, the Company consolidated its share capital on a 1 new to 10 old shares basis. The number of warrants and per warrants amounts have been retroactively adjusted to reflect the share consolidation.

Share Purchase Warrants

The following table reflects the continuity of share purchase warrants for the years presented:

	Number of share warrants	Weighted average exercise price ($)
Balance December 31, 2021	**2,134,000**	**1.500**
Issued (note 8(i))	119,975	4.000
Balance December 31, 2022	**2,253,975**	**1.630**
Issued (note 4(f))	2,774,960	1.000
Expired	(526,500)	4.000
Balance, December 31, 2023	**4,502,435**	**0.945**

Share purchase warrants outstanding as at December 31, 2023 are:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of warrants Outstanding
January 20, 2024	4.000	0.05	119,975
July 17, 2024	0.670	0.55	1,607,500
February 21, 2025	0.625	1.15	200,000
April 13, 2025	1.000	1.28	2,574,960
Total	**0.945**	**0.98**	**4,502,435**

Agent Warrants

The following table reflects the continuity of agent warrants for the years presented:

	Number of agent warrants	Weighted average exercise price ($)
Balance December 31, 2021	**111,375**	**2.200**
Exercised (note 8)	(42,495)	0.670
Issued (note 8(i))	6,976	3.200
Expired	(2,400)	0.670
Balance December 31, 2022	**73,456**	**3.200**
Exercised (note 8(iii))	(16,000)	0.250
Issued (note 4(f))	168,800	0.250
Cancelled/forfeited	(219,280)	0.250
Balance, December 31, 2023	**6,976**	**3.200**

(In Canadian Dollars, except where noted)

10. WARRANTS (continued)

Agent Warrants (continued)

Agent warrants outstanding as at December 31, 2023 are:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of warrants Outstanding
January 20, 2024	3.20	0.05	6,976
Total	**3.20**	**0.05**	**6,976**

11. LOSS PER SHARE

For the year ended December 31, 2023, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of $5,033,357 (year ended December 31, 2022 - 2,182,340) and the weighted average number of common shares outstanding of 13,955,798 (year ended December 31, 2022 - 7,234,348). Diluted loss per share did not include the effect of 625,000 options outstanding (December 31, 2022 - 724,167) or the effect of 4,502,435 share purchase warrants outstanding (December 31, 2022 - 2,253,975), 6,976 agent purchase warrants outstanding (December 31, 2022 - 73,456) as they are anti-dilutive.

12. RELATED PARTY TRANSACTIONS

Related parties include Officers, the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company had the following transactions involving officers and directors for the years ended December 31, 2023 and 2022:

(i) Management fees of $18,540 (2022 - $18,572) were paid or accrued for CFO services to the CFO of the Company.

(ii) Management fees of $nil (2022 - $32,000) were paid or accrued to a company controlled by a former Director of the Company.

(iii) Management fees of $20,000 (2022 - $17,500) were paid or accrued to a company controlled by the former interim CEO and previous Director of the Company.

(iv) Management fees of $40,000 (2022 - $10,000) were paid or accrued to a company controlled by a former Director of the Company.

(v) Management fees of $nil (2022 - $249,896) were incurred to the previous CEO and President of the Company. During the Company has issued $56,250 in common shares to the previous CEO and President.

(vi) Geological fees of $nil (2022 - $126,583 (AUD 140,103)) were paid to the former VP of Exploration of the Company.

(vii) Management fees of $78,400 (2022 - $nil) were paid or accrued to a company controlled by the CEO and Director of the Company.

(viii) Management fees of $55,675 (2022 - $nil) were paid or accrued to a company controlled by the former VP of Exploration of the Company.

(ix) Refer to note 8 and 9.

12. RELATED PARTY TRANSACTIONS (continued)

Included in accounts payable and accrued liabilities at December 31, 2023 is $41,887 (December 31, 2022 - $25,172) owed to related parties. The amounts owed to related parties are unsecured, non-interest bearing and due on demand.

The Company has a cost sharing agreement with Gem Rocks Mining Resources Inc. ("GRM"), a company related by a former common officer and director, whereby the Company shares services and other expenses. During the years ended December 31, 2023, the Company was allocated $50,629, respectively (December 31, 2022 – $nil) for its share of these expenses, of which $50,629 (December 31, 2022 – $nil) was payable to Zodiac.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The Company's financial instruments consist of cash and cash equivalents, site restoration deposits, and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature and market rates for similar financial instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at December 31, 2023, management believes that the credit risk with respect to cash and cash equivalents, accounts receivables, and site reclamation deposits is minimal. Cash and cash equivalents are held with reputable Canadian and Australian financial institutions, from which management believes the risk of loss to be minimal. Accounts receivables are due from individuals which management believes there to be a low risk of default.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2023, the Company had cash, accounts receivable, assets held for windup of $33,769 (December 31, 2022 - $538,895) to settle current liabilities of $434,280 (December 31, 2022 - $126,947). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms, except for the debentures payable. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity and the Company's ability to continue as a going concern.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the USD and AUS, because the company holds the majority of its foreign financial instruments in USD. The Company's policy is not to enter into any currency hedging transactions. The Company's has AUD $4,231, and USD $537 of net monetary assets and monetary liabilities.

(In Canadian Dollars, except where noted)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Sensitivity analysis

A 10% strengthening or weakening of the Canadian Dollar against the United States Dollar or Australian Dollar would have increased or decreased cumulative translation adjustments by approximately $711. This analysis assumes that all other variables, in particular interest rates, remain constant.

14. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company is not subject to external capital restrictions. There were no changes in the Company's approach to capital management.

15. INCOME TAXES

Rate reconciliation

A reconciliation of actual income tax expense and the accounting loss multiplied by the Company's statutory tax rate of 27% (2022 - 27%) is as follows:

	December 31, 2023	December 31, 2022
Loss before income taxes	$ (5,033,357)	$ (2,182,340)
	27 %	27 %
Expected income tax recovery based on statutory rate	**(1,359,006)**	(589,000)
Non-deductible	**1,087,000**	70,000
Effect of tax rate in different jurisdiction	**-**	11,000
Change in unrecognized DITA	**272,006**	508,000
Total	$ -	$ -

Deferred tax assets and liabilities

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

The following deferred tax assets and liabilities were recognized as at December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Mineral properties	**$ -**	$ 421,000
Non-capital losses carry forward	**3,740,000**	2,817,000
Share issue costs	**-**	183,000
Total	$ 3,740,000	$ 3,421,000

(In Canadian Dollars, except where noted)

15. INCOME TAXES (continued)

Non-capital losses

As at December 31, 2023, the Company has non-capital losses of $3,248,000 available to reduce Canadian taxable income in future years expiring as follows:

2039	$ 96,000
2040	226,000
2041	643,000
2042	1,360,000
2043	923,000
	$ 3,248,000

16. SEGMENTED INFORMATION

The Company operates in one industry segment, namely exploration of mineral resources in three geographic regions, Canada, Liberia, and Australia. Prior to February 21, 2023, the Company operated in two geological regions, Canadian and Australia. All of the Company's site restoration deposits are located in Australia. Geographical segmentation of the Company's assets and liabilities is as follows:

As at, December 31, 2023	**Canada**	**Liberia**	**Australia**	**Total**
Total non-assets	$ 64,523	$ -	$ 9,001	**$ 73,524**

As at, December 31, 2022	**Canada**	**Liberia**	**Australia**	**Total**
Total non-assets	$ -	$ -	$ 151,281	**$ 151,281**

Geographical segmentation of the expenses is as follows:

Year Ended December 31, 2023			
Expenses	**Canada**	**Australia**	**Total**
Administration expenses	$ 82,129	$ 3,718	**$ 85,847**
Depreciation	-	15,659	**15,659**
Exploration expenditures	1,337	121,813	**123,150**
Management fees	236,626	-	**236,626**
Marketing and shareholder communication	128,329	-	**128,329**
Professional fees	334,139	41,115	**375,254**
Transfer agent and filing fees	67,489	79	**67,568**
Gain on settlement of debt	-	-	**-**
Share-based compensation	106,076	-	**106,076**
Foreign exchange loss	1,061	-	**1,061**
Gain on sale of vehicle	-	(4,349)	**(4,349)**
Net loss for the year	957,186	178,035	**1,135,221**
Cumulative translation adjustment	-	(256)	**(256)**
Comprehensive loss for the period	**$ 957,186**	**$ 177,779**	**$ 1,134,965**

(In Canadian Dollars, except where noted)

16. SEGMENTED INFORMATION (continued)

Year Ended December 31, 2022

Expenses	**Canada**	**Australia**	**Total**
Administration expenses	$ 44,480	$ 43,303	**$ 87,783**
Depreciation	-	8,372	**8,372**
Exploration expenditures	82,445	477,277	**559,722**
Management fees	341,001	-	**341,001**
Marketing and shareholder communication	470,395	-	**470,395**
Professional fees	394,019	43,775	**437,794**
Transfer agent and filing fees	54,930	524	**55,454**
Share-based compensation	238,426	-	**238,426**
Foreign exchange gain	(16,607)	-	**(16,607)**
Net loss for the year	1,609,089	573,251	**2,182,340**
Cumulative translation adjustment	-	(14,223)	**(14,223)**
Comprehensive loss for the period	**$ 1,609,089**	**$ 559,028**	**$ 2,168,117**

17. SUBSEQUENT EVENTS

On January 19, 2024, the Company announced that it has entered into an arm's length non-binding letter of intent ("LOI") with Cachee Gold Mines Corp. dated January 19, 2024 to acquire an interest in an advanced stage critical metals project located in Flett and Angus townships, Ontario. Additionally the Company granted incentive stock options to certain directors, officers, employees and consultants of the Company to acquire an aggregate of 1,150,000 common shares in the capital of the Company at an exercise price of $0.05 (the "Options") in accordance with its Equity Incentive Plan. Of the total Options granted, 900,000 Options have been granted to certain directors and officers of the Company. All Options are fully vested as at the date of grant and exercisable for a five-year term expiring January 24, 2029.

On February 20, 2024, the Company announced that its subsidiary, Next Generation has filed an assignment under Section 49 of the Bankruptcy and Insolvency Act (Canada), effective February 12, 2024 (note 4). In connection with the above, S. Funtig and Associates Inc. has been appointed as the bankruptcy trustee. A meeting of creditors will be held by teleconference on February 27, 2024 at 11.00am EST. The Company will provide further information in regard to Next Generation's bankruptcy filing in due course.

On April 7, 2024, Osprey Advanced Materials Inc. ("Osprey"), a wholly-owned subsidiary of Cachee Gold Mines Corp. ("Cachee") with Ferromin Inc. ("Ferromin") on Osprey's advanced stage critical metals project located in Flett and Angus townships, Ontario ("Titan Project").

On April 15, 2024, the Company announced by mutual agreement, Cachee and Metalite have extended the term of the LOI and the deadline for the completion of the financing by Metalite to May 31, 2024. It is expected that the definitive agreement will be entered prior to May 31, 2024. All other terms and conditions of the LOI (as further described in Metalite press release dated January 19, 2024) remain unchanged.