TEMAS

FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

For the Years Ended December 31, 2023 and 2022

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Temas Resources Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Temas Resources Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of loss and comprehensive loss, shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements in Canada, and we have fulfilled our 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 has no source of revenue and is dependent upon the future receipt of financing to maintain its operations. As stated in Note 1, the Company's ability to continue as a going concern is dependent upon it obtaining financing as necessary and ultimately upon its ability to dispose of its mineral property interests on a profitable basis or otherwise achieve profitable operations. These matters, 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 Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation properties.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 3 – Significant accounting judgements and estimates, note 3 – Accounting policy Exploration and evaluation assets and Note 6 Exploration and evaluation assets	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:

Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the property; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation assets balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	• Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment. • Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the exploration and evaluation properties. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation properties.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 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 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 financial statements.

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 G. Cameron Dong.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
April 25, 2024

Temas Resources Corp.
Statements of Financial Position
As at December 31, 2023 and 2022
(Expressed in Canadian dollars)

	Note	December 31, 2023	December 31, 2022
		$	$
Assets			
Cash		271,236	789,501
Prepaids	5,10	67,500	71,250
Amounts receivable		27,982	14,561
		366,718	**875,312**
Exploration and evaluation assets	6	6,427,038	6,406,721
Loan receivable	4	-	115,418
Deferred financing charges	9	-	821,763
Investment in associate	7	1	571,752
Total Assets		**6,793,757**	**8,790,966**
Liabilities			
Accounts payable and accrued liabilities	10	1,181,544	1,506,734
Flow-through and taxes payable	11	671,869	-
Loan payable	10	96,406	-
Flow-through premium liability	11	-	143,750
Total Liabilities		**1,949,819**	**1,650,484**
Shareholders' Equity			
Share capital	8	11,777,968	11,932,731
Reserves	8	4,901,622	4,810,252
Deficit		(11,835,652)	(9,602,501)
Total Shareholders' Equity		**4,843,938**	**7,140,482**
Total Liabilities and Shareholders' Equity		**6,793,757**	**8,790,966**

Nature and Continuance of Operations (Note 1)

Subsequent Event (Note 8, 14)

Approved on behalf of the Board on April 25, 2024:

"Tim Fernback" — **CEO & Director**

"Kyler Hardy" — **Director**

Temas Resources Corp.
Statements of Loss and Comprehensive Loss
For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

	Year Ended December 31, 2023	Year Ended December 31, 2022
	$	**$**
Expenses		
Amortization	-	63,132
Consulting (Note 10)	515,889	281,404
Exploration expenditures	422,982	2,982,759
Exploration expenditures recovered	(355,933)	-
General administration	1,309	225,753
Insurance	17,250	15,250
Interest and bank charges	7,961	1,209
Investor relations	95,267	344,222
Professional fees	46,367	26,692
Share-based payments (Note 9, 10)	91,370	154,223
Transfer agent and filing fees	68,467	62,626
Travel	3,548	2,959
Total expenses	**914,477**	**4,160,229**
Other items		
Impairment of intangible and exploration and evaluation assets	-	317,333
Impairment of investment and loan (Note 4, 7)	621,875	-
Interest income	(3,105)	(10,808)
Equity loss in investee (Note 7)	8,635	17,408
Flow-through and tax expense and Part XII.6 tax (Note 11)	835,018	-
Recovery of flow-through premium liability (Note 11)	(143,750)	(459,748)
Total other items	**1,318,673**	**(135,815)**
Net loss and comprehensive loss for the year	**(2,233,150)**	**(4,024,414)**
Basic and diluted loss per common share	**(0.21)**	**(0.49)**
Weighted average number of common shares outstanding	**10,740,387**	**8,268,324**

Temas Resource Corp.

Statements of Changes in Shareholders' Equity

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

	Note	**Share Capital** Number of shares	Amount	Reserves	Deficit	Total Shareholders' Equity
			($)	**($)**	**($)**	**($)**
Balance, December 31, 2021		**7,840,720**	**11,819,327**	**4,596,535**	**(5,578,087)**	**10,837,775**
Common shares issued – Equity facility	*8*	294,444	157,215	-	-	157,215
Common shares issued – Flow-through	*8*	1,541,666	1,110,000	-	-	1,110,000
Flow-through premium liability	*11*	-	(143,750)	-	-	(143,750)
Share issuance costs	*8*	-	(1,010,061)	59,494	-	(950,567)
Share-based payments	*8*	-	-	154,223	-	154,223
Net loss for the year		-	-	-	(4,024,414)	(4,024,414)
Balance, December 31, 2022		**9,676,830**	**11,932,731**	**4,810,252**	**(9,602,501)**	**7,140,482**
Common shares issued – Equity facility	*8*	100,000	22,500	-	-	22,500
Common shares issued – Debt settlement	*8*	55,556	25,000	-	-	25,000
Common shares issued – Private placement	*8*	6,230,000	623,000	-	-	623,000
Share issuance costs	*8,9*	-	(825,263)	-	-	(825,263)
Share-based payments	*8*	-	-	91,370	-	91,370
Net loss for the year		-	-	-	(2,233,151)	(2,233,151)
Balance, December 31, 2023		**16,062,386**	**11,777,968**	**4,901,622**	**(11,835,652)**	**4,843,938**

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

Temas Resource Corp.

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

Cash Provided By (Used In):	**Year ended December 31, 2023**	Year ended December 31, 2022
Operating Activities		
Net Loss	$ **(2,233,151)**	$ (4,024,414)
Non-cash item		
Amortization	**-**	63,132
Equity loss in investee	**8,635**	17,408
Flow-through premium liability	**(143,750)**	(459,748)
Impairment of intangible asset	**-**	10,520
Impairment of exploration and evaluation assets	**-**	306,813
Impairment of investment and loan, net	**621,875**	-
Interest accrued	**6,406**	-
Share-based payments	**91,370**	154,223
Changes in non-cash working capital:		
Prepaids	**3,750**	238,565
Amounts receivable	**(13,421)**	123,001
Accounts payable and accrued liabilities	**(230,190)**	1,290,801
Flow-through and taxes payable	**671,869**	
Cash flows used in operating activities	**(1,216,607)**	(2,279,699)
Investing Activities		
Long term loans receivable	**(13,341)**	(21,813)
Exploration and evaluation assets	**(20,317)**	(127,638)
Cash flows used in investing activities	**(33,658)**	(149,451)
Financing Activities:		
Loan payable	**140,000**	-
Issuance of new shares, net of share issue costs	**592,000**	1,207,715
Cash flows from financing activities	**732,000**	1,207,715
Increase (decrease) in cash	**(518,265)**	(1,221,435)
Cash, beginning of the year	**789,501**	2,010,936
Cash, end of the year	$ **271,236**	$ 789,501

The accompanying notes are an integral part of these financial statements

1. Nature and Continuance of Operations

Temas Resources Corp. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on June 25, 2018, under the name "Clean Earth Chemical Corp." On August 12, 2019, the Company changed its name to Temas Resources Corp.

The Company's head office and registered office is located at 309 – 2912 West Broadway, Vancouver, British Columbia, V6K 0E9. The Company's principal business activity is the acquisition, development and exploration of mineral properties.

On June 26, 2023, the Company consolidated its issued and outstanding common shares on the basis of 9 pre-consolidation common shares to 1 post consolidation common share. All information relating to basic and diluted loss per share, issued and outstanding common shares, and per share amounts in these financial statements have been adjusted retroactively to reflect the share consolidation.

The Company has an accumulated deficit of $11,835,652 as at December 31, 2023. The Company currently does not have sufficient liquidity to meet its operational requirements for the next fiscal year. The Company's continued operations are dependent upon its ability to obtain the necessary financing to complete the development of its mineral properties and to bring them into future profitable production or realize proceeds from their dispositions. The Company has not yet determined whether the mineral properties contain reserves that are economically recoverable. All of the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements.

These 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.

These financial statements were authorized by the Board of Directors on April 25, 2024.

2. Basis of Presentation

Statement of Compliance
The financial statements for years ended December 31, 2023 and 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

3. Material Accounting Policy Information

Basis of Measurement
These financial statements have been prepared on a historical cost basis, except for financial instruments classified in accordance with measurement standards under IFRS. All dollar amounts presented are in Canadian dollars unless otherwise specified. These financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

3. Material Accounting Policy Information (Continued)

Significant Accounting Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Certain of the Company's accounting policies and disclosures require key assumptions concerning the future and other estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or disclosures within the next fiscal year. Where applicable, further information about the assumptions made is disclosed in the notes specific to that asset or liability. The critical accounting estimates and judgments set out below have been applied consistently to all periods presented in these financial statements.

a) Ability to continue as a going concern – evaluation of the ability of the Company to realize its strategy for funding its future needs for working capital involves making judgments.

b) Investment in associate – determination of ORF as an associate of the Company requires making judgments about ownership and control.

c) Impairment – an evaluation of whether or not an asset is impaired involves consideration of whether indicators of impairment exist. Factors which could indicate impairment exists include: significant underperformance of an asset relative to historical or projected operating results, significant changes in the manner in which an asset is used or in the Company's overall business strategy, the carrying amount of the net assets of the Company being more than its market capitalization or significant negative industry or economic trends. In some cases, these events are clear. However, in many cases, a clearly identifiable event indicating possible impairment does not occur. Instead, a series of individually insignificant events occur over a period of time leading to an indication that an asset may be impaired. Events can occur in these situations that may not be known until a date subsequent to their occurrence. When there is an indicator of impairment, the recoverable amount of the asset is estimated to determine the amount of impairment, if any. If indicators conclude that the asset is no longer impaired, the Company will reverse impairment losses on assets only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Similar to determining if an impairment exists, judgment is required in assessing if a reversal of an impairment loss is required.

Investment in Associate

Investments in which the Company has the ability to exert significant influence, but does not have control, are accounted for using the equity method of accounting whereby the original cost of the investment is adjusted each reporting period for the Associate's share of earnings, losses, dividends and other changes to the investment's capital structure during the current reporting period.

3. Material Accounting Policy Information (Continued)

Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets and liabilities on a net basis.

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

Financial Instruments

Recognition and Measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income (“FVTOCI”) or fair value through profit or loss (“FVTPL”). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in the statement of comprehensive loss.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Material Accounting Policy Information (Continued)

Financial Instruments (Continued)
A financial asset is measured at FVTPL unless it is measured at amortized cost or FVTOCI. However, an irrevocable election can be made at initial recognition for particular investments in equity instruments that would otherwise be measured at FVTPL to present subsequent changes in fair value through other comprehensive income.

The Company's cash, accounts receivable, loan receivable, accounts payable and accrued liabilities and loan payable are classified as subsequently measured at amortized cost.

Impairment
At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.
Where an impairment loss is subsequently reverse, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior year. A reversal of an impairment loss is recognized immediately in profit or loss.

Exploration and Evaluation Assets
Costs relating to the acquisition and claim maintenance of exploration and evaluation assets (including option payments and annual fees to maintain the property in good standing) are capitalized and deferred until the project to which they relate to, is sold, abandoned, impaired or placed into production.

The Company expenses all exploration, evaluation and development expenditures until management concludes that a future economic benefit is more likely than not to be realized. In evaluating if expenditures meet this criterion to be capitalized, management considers the following:

- The extent to which reserves or resources, as defined in National Instrument 43-101, have been identified in relation to the property in question;
- The conclusions of National Instrument 43-101 compliant preliminary economic assessment studies, preliminary feasibility studies and/or feasibility studies regarding the property in question;
- The status of environmental permits; and
- The status of mining leases or permits.

3. Material Accounting Policy Information (Continued)

Exploration and Evaluation Assets (Continued)

Once the Company considers that a future economic benefit is more likely than not of being realized, all subsequent costs directly relating to the advancement of the related area of interest are capitalized.

Capitalized exploration and evaluation costs are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator is identified, the asset's recoverable amount is calculated and compared to the carrying amount. For the purpose

of measuring recoverable amounts, assets are grouped into CGUs. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Share Capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares and other equity instruments are recognized as a deduction from shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued.

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

Flow-through common shares

The Company has issued common shares as flow-through shares, whereby the investor may claim the tax deductions arising from the related resource expenditures. When flow-through shares are issued, the sale of the tax deduction is valued (using the residual method) and deferred as a flow-through liability. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, the flow-through liability is reversed, and a deferred income tax liability is recognized.

Previously unrecognized deferred income tax assets may be used to reduce the deferred income tax liability amount recognized, and the Company will recognize a future income tax recovery to this extent.

Loss Per Share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share is the same for the periods presented.

(Expressed in Canadian dollars)

3. Material Accounting Policy Information (Continued)

Share-based payments

The Company's stock option plan allows the Company's employees and consultants to acquire common shares of the Company through the exercise of granted stock options. The fair value of stock options granted is recognized as a share-based payment expense with a corresponding increase in shareholders' equity. An individual is classified as an employee when such individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

When stock options are exercised, the cash proceeds, along with the amount previously recorded in equity reserves, are recorded as share capital.

New Accounting Standards and Recent Pronouncements

There are no new accounting standards or recent pronouncements that the Company expects will have a material impact on the Company's financial statements.

4. Loan receivable

During the year, the Company impaired the loan of $115,418 to its associated company ORF Technologies Inc. See note 7

5. Prepaids

Included in prepaid as of December 31, 2023, is $nil (December 31, 2022 - $3,750) in prepaid insurance, and $67,500 (December 31, 2022 - $67,500) in prepaid advisory services.

6. Exploration and Evaluation Assets

The carrying value of the Company's mineral properties is as follows:

	Lac Brule	La Blache	DAB	Piskanja	Total
December 31, 2021	**$ 29,000**	**$ 5,827,721**	**$ 550,000**	**$ 179,175**	**$ 6,585,896**
Technical services	-	-	-	127,638	127,638
Impairment provision	-	-	-	(306,813)	(306,813)
December 31, 2022	**$ 29,000**	**$ 5,827,721**	**$ 550,000**	**$ -**	**$ 6,406,721**
Renew claims		20,317			20,317
December 31, 2023	**$ 29,000**	**$ 5,848,038**	**$ 550,000**	**$ -**	**$ 6,427,038**

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

6. Exploration and Evaluation Assets (Continued)

La Blache Property, Quebec, Canada

On June 18, 2020, the Company entered into a Purchase Agreement to purchase a 100% interest in the La Blache property in Core-Nord, Quebec from Cloudbreak Discovery Corp. and Cronin Services Ltd. (collectively known as "Vendors") for an aggregate of 2,222,222 common shares (issued) of the Company, $60,000 (paid) in cash payments and the delivery of an NSR royalty of 2%. The Company has the right to repurchase one-half of the NSR royalty (1%) for $2,500,000 at any time. The Vendors have common directors with the Company.

DAB Property, Quebec, Canada

On January 15, 2020, the Company entered into an option agreement with Contigo Resources Ltd. ("Contigo") to acquire a 100% interest in the 124 claims comprising the DAB property. Under the terms of the option agreement, the Company needs to undertake the following to exercise its option:

- make cash payments of $25,000 on January 15, 2020 (paid) and $50,000 (paid) on January 15, 2021; and
- issue 1,111,111 common shares of the Company to Contigo on January 15, 2020 (issued).

Per the terms of the option agreement, Contigo retains a 2% net smelter royalty ("NSR") on the DAB property. The Company can purchase 50% of the NSR at any time for a cash payment of $1,500,000.

The DAB and La Blache properties were historically one project. As such, the Company operates and references to the two purchases as "La Blache".

Lac Brule, Quebec, Canada

To augment the Company's claims acquired through staking, on August 19, 2021, the Company had entered into a purchase agreement to acquire a 100% interest in an additional mineral claim comprising the Lac Brule property. Under the terms of the agreement, the Company made a cash payment of $10,000 and issued 5,555 common shares of the Company to the seller at a value of $19,000. Per the terms of the option agreement, the seller retains a 1% net smelter royalty ("NSR") on the additional mineral claim. The Company can purchase 50% of the NSR at any time for a cash payment of $500,000.

Piskanja Borate Project, Serbia

On June 16, 2021, the Company entered into an option and joint venture agreement with Erin Ventures Inc. and Balkan Gold D.O.O. Temas has the right and option to earn up to a 50% undivided interest in the Piskanja Borate Project located in Serbia by incurring €10,500,000 in work expenditures on the project. As initial consideration for the option, the Company issued 27,777 common shares, valued at $103,750, and 27,777 common share purchase warrants with an exercise price of $2.88 per share expiring August 4, 2025, valued at $75,425. On December 23, 2022, the Company terminated the option and joint venture agreement, therefore, no longer has an interest in this project.

(Expressed in Canadian dollars)

7. Investment in associate

On March 26, 2021, the Company purchased a 50% interest in ORF Technologies Inc. ("ORF") for $600,000. ORF is an early-stage Canadian Company with a focus on mineral extraction technologies. The Company measures its investment in ORF using the equity method. For the year ended December 31, 2023, the Company recorded an equity loss of $8,635 relating to its investment in ORF.

Due to minimal activity and the lack of necessary cash flow, the Company recorded an impairment of $563,116.

Investment at March 26, 2021	$	600,000
Equity loss for the period		(10,840)
Investment at December 31, 2021		589,160
Equity loss for the year		(17,408)
Investment at December 31, 2022		571,752
Equity loss for the year		(8,635)
Impairment		(563,116)
Investment at December 31, 2023	**$**	**1**

Summarized financial information of ORF is as follows:

		Year ended December 31, 2023		**Year ended December 31, 2022**
Cash	$	**1,173**	$	**2,933**
Current assets		**70,000**		**70,000**
Current liabilities		**202,731**		**126,795**
Revenue		-		-
Net loss and comprehensive loss	$	**19,135**	$	**34,816**

8. Share Capital

On June 26, 2023, the common shares of the Company were consolidated on a basis of 9 pre-consolidation shares to 1 post-consolidation share, no fractional shares were issued. Accordingly, the Company has affected the share consolidation in these financial statements as if it had happened at the beginning of periods reported, and disclosed all share capital, warrant and stock option information respectively on a post consolidated basis

Authorized

The Company's authorized share capital consisted of an unlimited number of common shares without par value. As at December 31, 2023, the Company had 16,062,386 (9,676,830 - December 31, 2022) common shares outstanding.

8. Share Capital (Continued)

Issued and outstanding common shares

Fiscal 2023

On November 21, 2023, the Company completed a non-brokered private placement whereby the Company issued 3,050,000 units at a price of $0.10 per unit for gross proceeds of $305,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will be exercisable into one common share at an exercise price of $0.15 expiring on November 21, 2025. Cash finder's fee of $2,100 was paid.

On October 23, 2023, the Company completed a non-brokered private placement whereby the Company issued 3,180,000 units at a price of $0.10 per unit for gross proceeds of $318,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will be exercisable into one common share at an exercise price of $0.15 expiring on October 23, 2025. Cash finder's fee of $1,400 was paid. The Company also issued 14,000 agent warrants at $0.15.

On March 27, 2023, the Company settled outstanding fees of $25,000 for 55,555 common shares with an issue price of $0.45.

On February 28, 2023, the Company issued 100,000 common shares at $0.225 for proceeds of $22,500 in connection with the Crescita Capital equity investment facility.

Fiscal 2022

On December 19, 2022, the Company issued 208,333 flow-through units at a price of $0.72 per unit for gross proceeds of $150,000. Each unit is comprised of one flow-through share and one half-share purchase warrant, each whole warrant is exercisable at $0.90 per common share, and expires three years from the date of issuance. The Company paid cash share issuance costs of $7,500 and issued 18,750 finder's warrants, exercisable at $0.90 per common share, and expire two years from the grant date. The finder's warrants have a fair value of $3,868.

On November 22, 2022, the Company issued 27,777 common shares for gross proceeds of $14,625 in connection with the Equity Investment Facility.

On November 22, 2022, the Company issued 486,111 flow-through units at a price of $0.72 per unit for gross proceeds of $350,000. Each unit is comprised of one flow-through share and one half-share purchase warrant, each whole warrant is exercisable at $0.90 per common share, and expires three years from the date of issuance. The Company paid cash share issuance costs of $21,500, issued 19,444 finder's warrants, exercisable at $0.72 per common share, and expire three years from the grant date, and issued 18,750 finder's warrants, exercisable at $0.90 per common share, and expire two years from the grant date. The finder's warrants have a combined fair value of $11,916.

On November 1, 2022, the Company issued 22,222 common shares for gross proceeds of $12,240 in connection with the Equity Investment Facility.

On October 12, 2022, the Company issued 77,777 common shares for gross proceeds of $44,100 in connection with the Equity Investment Facility.

(Expressed in Canadian dollars)

8. Share Capital (Continued)

Fiscal 2022 (Continued)

On August 31, 2022, the Company issued 847,222 flow-through units at a price of $0.72 per unit for gross proceeds of $610,000. Each unit is comprised of one flow-through share and one half-share purchase warrant, each whole warrant is exercisable at $0.90 per common share, and expires three years from the date of issuance. The Company paid cash share issuance costs of $30,500 and issued 76,250 finder's warrants, exercisable at $0.90 per common share, and expire three years from the grant date. The finder's warrants have a fair value of $43,709.

On August 22, 2022, the Company issued 111,111 common shares for gross proceeds of $57,000 in connection with the Equity Investment Facility.

On August 8, 2022, the Company issued 55,555 common shares for gross proceeds of $29,250 in connection with the Equity Investment Facility.

Stock Options

As at December 31, 2023, the Company has 1,478,167 stock options outstanding (December 31, 2022: 461,296) with 877,042 stock options exercisable.

A summary of the status of the stock options as of December 31, 2023, and 2022 and changes during the periods then ended is presented below:

	Number	Weighted Average Exercise Price
Balance at December 31, 2021	**552,222**	**$4.50**
Granted	88,889	$6.08
Expired/Cancelled	(179,815)	$3.78
Balance at December 31, 2022	**461,296**	$3.07
Expired/Cancelled	(444,629)	$3.14
Granted	1,461,500	$0.14
Balance at December 31, 2023	**1,478,167**	**$0.15**
Exercisable at December 31, 2023	**877,042**	**$0.25**

Stock options outstanding as at December 31, 2023 were as follows:

Number of Options		Weighted Average Exercise price	Remaining Life (In Years)	Expiry Date
16,667		$ 1.08	1.20	March 14, 2025
760,000	*	$ 0.11	2.59	August 2, 2026
300,000		$ 0.13	4.90	November 21, 2028
401,500		$ 0.20	3.92	November 29, 2027
1,478,167		**$ 0.15**	**3.40**	

*Subsequent to the year-end, 75,000 of stock options were exercised.

(Expressed in Canadian dollars)

8. Share Capital (Continued)

Stock Options (Continued)

On November 29, 2023, the Company granted 401,500 stock options to the CEO of the Company exercisable at $0.20 per option for a period of 4 years. The options vest over two years from issuance (fully vested by May 29, 2025). The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions: average risk-free rate – 3.60%; expected life – 5 years; expected volatility – 182.93%; forfeiture rate - Nil and expected dividends – Nil.

On November 21, 2023, the Company granted 300,000 stock options to a consultant of the Company exercisable at $0.125 per option for a period of 5 years. The options vest over one year from issuance (fully vested by November 21, 2024). The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions: average risk-free rate – 3.74%; expected life – 5 years; expected volatility – 183.46%; forfeiture rate - Nil and expected dividends – Nil.

On August 2, 2023, the Company granted 760,000 stock options to consultants, directors and officers of the Company exercisable at $0.105 per option for a period of three years. The options are vested immediately. The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions: average risk-free rate – 4.43%; expected life – 3 years; expected volatility – 187.79%; forfeiture rate - Nil and expected dividends – Nil.

On March 14, 2022, the Company granted 16,667 stock options to an officer of the Company exercisable at $1.08 per option for a period of three years. The options are vested immediately. The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions: average risk-free rate – 1.94%; expected life – 3 years; expected volatility – 99.77%; forfeiture rate - Nil and expected dividends – Nil.

On February 2, 2022, the Company granted 72,222 stock options to various directors, officers, and consultants of the Company at an exercise price of $1.26 per option. The options will expire in five years and vest immediately on the grant date. The options were fair valued using Black-Scholes Option Pricing Model using the following assumptions: average risk-free rate – 1.61%; expected life – 5 years; expected volatility – 100.00%; forfeiture rate - Nil and expected dividends – Nil.

Share Purchase Warrants

As at December 31, 2023, the Company has 7,148,028 warrants outstanding (December 31, 2022: 1,447,170). A summary of the status of the warrants as of December 31, 2023, and 2022 and changes during the periods then ended is presented below:

	Number		Weighted Average Exercise Price
Balance at December 31, 2021	**1,295,920**	**$**	**1.44**
Issued	904,028	$	8.10
Expired/ Cancelled	(752,778)	$	0.90
Balance at December 31, 2022	**1,447,170**	**$**	**1.42**
Issued	6,244,000	$	0.15
Expired/ Cancelled	(543,142)	$	2.28
Balance at December 31, 2023	**7,148,028**	**$**	**0.24**

(Expressed in Canadian dollars)

8. Share Capital (Continued)

Share Purchase Warrants (Continued)

Share purchase warrants outstanding as at December 31, 2023, were as follows:

Number of Wrrants		Weighted Average Exercise price	Remaining Life (In Years)	Expiry Date
499,861		$ 0.90	1.67	August 31, 2025
243,056		$ 0.90	1.90	November 22, 2025
19,444		$ 0.72	1.90	November 22, 2025
18,750		$ 0.90	0.90	November 22, 2024
104,167		$ 0.90	1.97	December 19, 2025
18,750		$ 0.90	0.97	December 19, 2024
3,194,000	*	$ 0.15	1.81	October 23, 2025
3,050,000	**	$ 0.15	1.89	November 21, 2025
7,148,028		**$ 0.24**	**1.84**	

*Subsequent to the year-end, 214,000 of warrants were exercised.
** Subsequent to the year-end, 75,000 of warrants were exercised.

9. Equity Investment Facility

On November 18, 2020, the Company entered into a $5,000,000 equity investment facility with Crescita Capital. The Company can draw down funds from the $5,000,000 equity investment facility from time to time during the three-year term at the Company's discretion by providing a drawdown notice to Crescita Capital, and in return for each drawdown notice funded by Crescita Capital, the Company will allot and issue fully paid common shares to Crescita Capital.

The shares issued in connection with any drawdown notice will be priced at the higher of (i) the floor price set by the Company and (ii) 90% of the average closing bid price resulting from the following ten days of trading after the drawdown notice ("Pricing Period"). The drawdown notice amount requested by the Company cannot exceed 700% of the average daily trading volume of the Pricing Period.

In connection with the equity investment facility, the Company paid a commitment fee. This fee consisted of a 3% commission to be paid in common shares, at a price of $2.25 per share (67,777 shares valued at $150,000), and warrants equal to 8% of the outstanding common shares of the Company (515,364 warrants valued at $2,560,331). The warrants have an exercise price of $2.25 per common share and expire three years from the grant date. The warrants were fair valued using the Black-Scholes Option Pricing Model using the following assumptions average risk-free interest rate - 0.29%; expected life - 3 years; expected volatility - 100.00%; forfeiture rate - Nil and expected dividends - Nil.

The value of the commitment fee was recorded as a deferred financing charge and is being amortized as share issue costs over the term of the equity investment facility, with amortization charges amounting to $821,762 for the year ended December 31, 2023 (2022 - $891,068). As at December 31, 2023, the carrying amount of the deferred financing charges was $Nil (December 31, 2022 - $821,762).

In November 2023, the three-year term with Crescita ended.

10. Related Party Transactions

Key management personnel at the Company are the directors and officers of the Company.

During the year ended December 31, 2023, the Company incurred:

- Consulting fees of $270,000 (2022 - $315,500) to a company owned by a director of the Company
- Exploration technical services of $22,000 (2022 - $Nil) to a company owned by a director of the Company
- Consulting fees of $3,000 (2022 - $Nil) to a former CFO
- Consulting fees of $12,097 (2022 - $Nil) to a company owned by CEO
- Payroll-related expenses of $Nil (2022 - $180,000) to an officer of the Company
- Consulting fees paid to a former director $Nil (2022 - $9,643)
- Consulting fee paid to directors or officers $Nil (2022- $101,261)
- Share-based payments of $91,370 (2022 - $133,966) to officers, directors and companies with common officers and directors.

As of December 31, 2023, loans and receivable includes:

- $67,500 (December 31, 2022 - $67,500) prepaid deposit paid to a company owned by a director of the Company
- $Nil (December 31, 2022 – $25,000) is due to a former director of the Company
- $476,007 (December 31, 2022 – $222,372) payable to a company owned by a director of the Company
- $209 (December 31, 2022 - $Nil) payable to a company owned by a director of the Company
- $135,000 (December 31, 2022 - $135,000) due to a former officer of the Company
- $Nil (December 31, 2022 – $70,000) due to ORF Technologies Inc.
- $96,406 (December 31, 2022 – Nil) loan from a Company owned by a director and a former CEO

On July 14, 2023, the Company entered a $140,000 secured loan agreement (“Secured Loan”) with a company controlled by a director of the Company. The Secured Loan carries an interest rate of 12% per annum, paid in advance quarterly with a maturity date of July 13, 2024, and secured by the assets of the Company. During the year ended December 31, 2023, the Company repaid $50,000 of the loan as part of the November 2023 private placement (Note 8) and accrued interest of $6,406. As at December 31, 2023 the balance owing on the Secured Loan is $96,406.

All loans except for the loan from the Secured Loan are non-interest bearing and due on demand. All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. Liability and Income Tax Effect on Flow-through Shares

Funds raised through the issuance of flow-through common shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

11. Liability and Income Tax Effect on Flow-through Shares (Continued)

In December 2020, the Company issued 402,777 flow-through common shares at $9.00 per share for gross proceeds of $3,625,000 and recognized an initial liability for flow-through shares of $606,250. During the years ended December 31, 2021 and 2022, the Company has completed its flow-through spending obligations and has recognized a flow-through recovery of $606,250.

During the 2022 year, the Company issued 1,541,666 flow-through common shares at an average price of $0.72 for gross proceeds of $1,110,000 and recognized an initial liability for flow-through shares of $143,750. The $1,110,000 flow-through funds were required to be incurred by December 31, 2023. As at December 31, 2023, the Company had spent $405,185 of the $1,110,000 flow-through obligation leaving a shortfall of $704,815. The Company will incur income tax and penalties associated with this shortfall for itself and for investors. As at December 31, 2023, the Company has accrued $671,869 in estimated taxes payable.

12. Financial and Capital Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business. The Company has no financial instruments carried at fair value. The Company's cash, accounts receivable, loan receivable, accounts payable and accrued liabilities and loan payable are recorded at subsequently measured at amortized cost.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in way in which such exposure in managed is provided as follows:

<u>Foreign exchange risk</u>
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

<u>Credit risk</u>
The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

(Expressed in Canadian dollars)

12. Financial and Capital Risk Management (continued)

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise the required funding through future equity issuances and through short-term borrowing. 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.

Price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

13. Income taxes

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

	December 31, 2023	December 31, 2022
	($)	($)
Loss before income taxes	(2,233,151)	(4,024,414)
Statutory rates	27.00%	27.00%
Expected income tax recovery at statutory rates	(602,951)	(1,086,592)
Effect of deductible and non-deductible amounts	419,461	805,578
Increase in unrecognized deferred tax assets	183,490	281,014
Deferred income tax recovery	-	-

The components of the Company's unrecognized deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
	($)	($)
Non-capital losses carried forward	4,289,590	3,353,097
Resource-related deductions	293,678	480,057
Share issue costs	93,354	158,027
Eligible capital property	111,101	116,948
	4,787,723	4,108,129

13. Income taxes (Continued)

The Company has approximately $4,289,600 of non-capital losses available, which begin to expire in 2039 through to 2043, and may be applied against future taxable income. At December 31, 2023, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in future years.

14. Subsequent Event

On March 27, 2024, the Company entered into an option agreement to earn 100% interest in the La Blache Lake Extension Property. Pursuant to the option agreement, the Company must issue an aggregate of $275,000 in common shares and pay an aggregate of $350,000 in cash over a 48th month period.

On April 8, 2024, the Company completed the first tranche of a non-brokered private placement whereby the Company issued 5,943,690 units at a price of $0.20 per unit for gross proceeds of $1,188,738. Each unit is comprised of one common share and one-half common share purchase warrant. Each warrant will be exercisable into one common share at an exercise price of $0.40 expiring on April 8, 2026.