CLARITY METALS CORP.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Clarity Metals Corp.

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss and comprehensive loss of $2,255,810 during the year ended December 31, 2023 and, as of that date, the Company's current liabilities exceeded its current assets by $556,865. As stated in Note 1, these events and conditions 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.

Other Matters

The financial statements of Clarity Metals Corp. for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on April 27, 2023.

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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

As described in Note 4 to the financial statements, the carrying amount of the Company's E&E Assets was $819,869 as of December 31, 2023. As more fully described in Note 2 to the financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

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

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

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Assessing the Company's rights to explore E&E Assets including sending confirmation requests to optionors to ensure good standing of agreements.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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 year 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 Peter Maloff.

Davidson & Company LLP

Vancouver, Canada — Chartered Professional Accountants

April 26, 2024

CLARITY METALS CORP.
STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

As at		December 31, 2023		December 31, 2022
ASSETS				
CURRENT ASSETS				
Cash	$	20,560	$	1,085,019
Receivables and prepaid expenses (Notes 3, 9)		31,923		190,274
		52,483		**1,275,293**
NON-CURRENT ASSETS				
Exploration and evaluation assets (Note 4)		819,869		1,364,263
TOTAL ASSETS		**872,352**		**2,639,556**
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Notes 5,9)		609,348		520,383
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		12,180,936		11,759,640
Reserves (Note 6)		178,662		1,334,485
Accumulated deficit		(12,096,594)		(10,974,952)
TOTAL SHAREHOLDERS' EQUITY		**263,004**		**2,119,173**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**872,352**	**$**	**2,639,556**

Nature of operations (Note 1)
Subsequent events (Note 13)

Approved on behalf of the Board of Directors on April 26, 2024:

"James Rogers" Director
James Rogers

"Rose Zanic" Director
Rose Zanic

The accompanying notes are integral to these financial statements

CLARITY METALS CORP.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

For the years ended December 31,		2023		2022
EXPENSES				
Consulting fees (Note 9)	$	268,903	$	326,238
Exploration expenditures (Notes 4, 9)		116,807		2,030,917
Foreign exchange loss		3,174		476
Investor relations		20,340		-
Marketing		554,214		157,864
Office and administration		84,806		84,557
Professional fees (Note 9)		303,221		347,495
Transfer agent, registration and filing fees		22,229		30,207
Shareholder communications		74		22,355
Share-based compensation (Notes 6, 9)		353,345		199,501
Travel		15,447		743
		(1,742,560)		(3,200,353)
Other items				
BCMETC Recovery		3,516		47,968
Gain on settlement of debt (Note 5)		8,924		-
Recovery of accounts payable (Note 5)		100,000		-
Recovery of flow-through premium (Note 7)		-		380,637
Impairment (Note 4)		(625,690)		-
Loss and comprehensive loss for the year	**$**	**(2,255,810)**	**$**	**(2,771,748)**
Basic and diluted loss per share	**$**	**(0.05)**	**$**	**(0.09)**
Weighted average number of common shares outstanding- basic and diluted		**45,483,403**		**32,142,592**

The accompanying notes are integral to these financial statements

CLARITY METALS CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Share Capital								
	Number of shares		**Amount**		**Reserves**		**Deficit**		**Total**
Balance, December 31, 2021	**28,142,592**	**$**	**10,033,096**	**$**	**1,464,524**	**$**	**(8,538,350)**	**$**	**2,959,270**
Shares issued for cash	10,000,000		1,000,000		-		-		1,000,000
Share issue cost	-		(5,100)		-		-		(5,100)
Fair market value of issued agent options	-		(5,606)		5,606		-		-
Shares issued for acquisition of exploration and evaluation assets	5,220,000		737,250		-		-		737,250
Share-based compensation	-		-		199,501		-		199,501
Recovery on expiry of agent options	-		-		(335,146)		335,146		-
Net loss for the year	-		-		-		(2,771,748)		(2,771,748)
Balance, December 31, 2022	**43,362,592**		**11,759,640**		**1,334,485**		**(10,974,952)**		**2,119,173**
Shares issued for acquisition of exploration and evaluation assets	185,185		46,296		-		-		46,296
Share-based compensation	-		-		353,345		-		353,345
Restricted Share Units	2,500,000		375,000		(375,000)		-		-
Recovery on expiry of agent options	-		-		(1,134,168)		1,134,168		-
Net loss for the year	-		-		-		(2,255,810)		(2,255,810)
Balance, December 31, 2023	**46,047,777**	**$**	**12,180,936**	**$**	**178,662**	**$**	**(12,096,594)**	**$**	**263,004**

The accompanying notes are integral to these financial statements

CLARITY METALS CORP.
STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

For the years ended		December 31, 2023		December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	$	(2,255,810)	$	(2,771,748)
Add items not affecting cash:				
Share-based compensation		353,345		199,501
Recovery of accounts payable		(100,000)		-
Recovery of flow-through premium		-		(380,637)
Impairment		625,690		-
Non-cash working capital changes:				
Receivables and prepaid expenses		158,351		9,330
Accounts payable and accrued liabilities		188,965		358,387
Net cash used in operating activities		**(1,029,459)**		**(2,585,167)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued for cash		-		1,000,000
Share issue costs		-		(5,100)
Net cash provided by financing activities		**-**		**994,900**
CASH FLOWS FROM INVESTING ACTIVITY				
Acquisition of exploration and evaluation assets		(35,000)		(75,000)
Net cash used in investing activity		**(35,000)**		**(75,000)**
Decrease in cash during the year		(1,064,459)		(1,665,267)
Cash, beginning of the year		1,085,019		2,750,286
Cash, end of the year	$	**20,560**	$	**1,085,019**

Note 11 – Supplemental disclosures with respect to cash flows.

The accompanying notes are integral to these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Clarity Metals Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on September 11, 2019. The Company's head office and registered office are located at Suite 1680, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8.

On June 29, 2020, the Company's common shares commenced trading on the Canadian Securities Exchange ("CSE") under the trading symbol "CLAR". On July 1, 2020, the Company's common shares commenced trading on the OTC Pink Sheets Market under the trading symbol "CLGCF".

On December 12, 2022, the Company's name changed from Clarity Gold Corp. to Clarity Metals Corp. and resumed trading under the new symbol "CMET" on the CSE.

The Company is a Canadian mineral exploration company focused on the acquisition, exploration and development of mineral projects in Canada.

The Company is currently evaluating its exploration and evaluation assets and has not determined whether its projects contain reserves that are economically recoverable. The recoverability of amounts recorded for the exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves. The Company's future capital requirements depend on many factors, including costs of exploration and development of the exploration and evaluation assets, cash flow from operations, costs to complete additional exploration, competition and global market conditions. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company incurred a net loss and comprehensive loss of $2,255,810 for the year ended December 31, 2023 (2022 - $2,771,748) and has an accumulated deficit of $12,096,594 (December 31, 2022 - $10,974,952) and is expected to incur further losses in the development of its business, all of which indicate there are material uncertainties that may cast significant doubt about its ability to continue as a going concern. As at December 31, 2023, the Company had a working capital deficit of $556,865 (December 31, 2022 – working capital surplus of $754,910). These statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. While the Company is expending its best efforts in this regard, the outcome of these matters cannot be predicted at this time. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

a) Statement of compliance to International Financial Reporting Standards

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

These financial statements were approved and authorized for issuance by the Board of Directors on April 26, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

b) Basis of presentation

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

c) Foreign currency translation

The Company's reporting and functional currency of all its operations is the Canadian dollar as this is the principal currency of the economic environment in which the Company operates. The functional currency determination was conducted through an analysis of consideration factors identified in IAS 21, The Effect of Changes in Foreign Exchange Rates.

d) Going concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period.

e) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting year. 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 can differ from these estimates.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below:

Fair value of common shares issuance

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining the fair value of assets received when common shares are issued as consideration. If the fair value of assets received or services rendered cannot be reliably measured, the transaction will be recorded at the fair value of common shares issued on the date of issuance.

Impairment of Exploration and Evaluation assets

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral properties.

In respect of costs incurred for its exploration and evaluation assets, management has determined that the evaluation, development and related costs incurred, which have been capitalized, continue to be appropriately recorded on the statements of financial position at its carrying value as management has determined there are no indicators of impairment for its exploration and evaluation assets as December 31, 2023.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

e) *Significant accounting judgments, estimates and assumptions* (cont'd)

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, changes in subjective input assumptions can materially affect the fair value estimate.

The expected volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

f) *Exploration and evaluation assets*

Upon acquiring the legal right to explore, all costs related to the acquisition and exploration and evaluation of properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of an exploration and evaluation asset is impaired, that property is written down to its estimated net realizable value. An exploration and evaluation asset is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

g) *Share-based compensation*

Share-based compensation to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued. If it is determined the fair value of the goods or services cannot be reliably measured, they are recorded to the option reserve at the date the goods or services are received. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration shall be based on the number of equity instruments that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related amount originally recorded in reserves is transferred to share capital. For those unexercised options or warrants that expire, the recorded value is transferred to deficit.

All equity-settled share-based payments are reflected in other equity reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in other equity reserves is credited to share capital, adjusted for any consideration paid. For those unexercised options and share purchase warrants that expire, the recorded value is transferred to deficit.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

g) Share-based compensation (cont'd)

The Company has granted certain directors and consultants restricted share units ("RSUs") to be settled in shares of the Company. The fair value of the estimated number of RSUs that will eventually vest, determined at the date of grant, is recognized as share-based compensation expense over the vesting period, with a corresponding amount recorded as equity. The fair value of the RSUs is estimated using the market value of the underlying shares as well as assumptions related to the market and non-market conditions at the grant date.

h) Earnings (loss) per share

Basic earnings or loss per common share is calculated using the weighted average number of shares outstanding during the period. The Company computes the dilutive effect of options, warrants and similar instruments whereby the dilutive effect on earnings or loss per common share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the period presented, this calculation proved to be anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are excluded from basic earnings or loss per common share until escrow conditions have been removed.

i) Income taxes

Current income tax

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

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

Deferred income tax

Deferred income tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

j) Financial instruments

Financial Assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss.

Financial assets measured at amortized costs

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company's business model for the such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value recognized in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial Liabilities

Financial liabilities are classified as amortized cost, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.

(EXPRESSED IN CANADIAN DOLLARS)

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (cont'd)

j) Financial instruments (cont'd)

Financial Liabilities (cont'd)

Interest expense in this context includes initial transaction costs and premiums payable on redemptions, as well as any interest or coupon payable while the liability is outstanding.

Accounts payables represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. Accounts payable amounts are unsecured and are usually paid within forty-five days of recognition.

As at December 31, 2023, the Company's financial instruments are comprised of cash, receivables, accounts payable and accrued liabilities and are all classified as amortized cost.

k) Unit offerings

Proceeds received on issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares, and any excess is allocated to warrants.

3. RECEIVABLES AND PREPAID EXPENSES

	December 31, 2023	December 31, 2022
GST receivable	$ 5,974	$ 104,847
Prepaid expenses	5,249	85,427
Other (Note 4)	20,700	-
	$ 31,923	$ 190,274

4. EXPLORATION AND EVALUATION ASSETS

Fecteau Property

On November 21, 2022, and subsequently amended on February 1, 2023, the Company entered in an assignment and assumption agreement (the "Fecteau Agreement") among Opus One Resources Corp. ("Opus") and the two original optionors (the "Optionors") to acquire a 100% interest in the Fecteau Property located in the Province of Quebec.

The Fecteau Property consists of one claim block containing 93 claims for a total of 5,979.02 hectares in the Urban-Barry Windfall mining district.

As consideration for this acquisition, the Company paid $60,000 as cash to Opus, $35,000 as cash to the Optionors and issued 185,185 common shares to the Optionors with a fair value of $46,296.

In addition, the Company has entered into a royalty agreement with the Optionors pursuant to which the Company granted:

(a) a 2.0% net smelter return royalty (the "Full Royalty") to the Optionors with respect to production of all precious metals from the mineral claims comprising the Property, other than from certain excluded claims (the "Excluded Claims"); and

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

Fecteau Property (cont'd)

(b) a 1.0% net smelter return royalty to the Optionors with respect to production of all precious metals from the Excluded Claims. At any time and at the sole discretion of the Company, the Company may reduce the Full Royalty from 2.0% to 1.0% by paying the Optionors or their permitted assign(s) a cash payment of $1,500,000.

In connection with the execution of the Fecteau Agreement, the Company paid an arm's length finder an aggregate of 250,000 common shares as finder's fee with a fair value of $41,250 during the year ended December 31, 2022.

Lithium381 Property

On December 6, 2022, the Company entered into an option agreement (the "Lithium Agreement") with Genius Metals Inc. ("Genius"), an arm's length public company listed on the TSX Venture Exchange, to earn an undivided 50% right, title, ownership and beneficial interest in the Lithium381 Property ("Lithium381" or "KM381") located in the Province of Quebec.

Lithium381 comprises 21 mineral claims covering approximately 1107 hectares located in the James Bay Region of Northern Quebec.

Pursuant to the Lithium Agreement, the Company must:

(a) incur and aggregate of $750,000 in exploration expenditures on or before December 31, 2024, inclusive of the deposit of $25,000 provided by the Company to Genius on November 25, 2022; and

(b) issue an aggregate of 720,000 common shares of the Company which will be subject to a voluntary escrow to be released as to 90,000 common shares every four months. – *Issued during the year ended December 31, 2022.*

During the year ended December 31, 2022 the Company issued 720,000 common shares to Genius with a fair value of $126,000.

In connection with the execution of the Lithium Agreement, the Company paid an arm's length finder an aggregate of 250,000 common shares as finder's fee with a fair value of $50,000 during the year ended December 31, 2022.

Newfoundland Properties

On August 23rd, 2022, the Company entered into an agreement (the "Newfoundland Agreement") with two arm's length vendors, to acquire the Eddies Cove MVT Project ("Eddies Coves"), the Harp Lake Nickel Project ("Harp Lake"), and the Hare Bay Nickel Project ("Hare Bay"), together (the "Newfoundland Properties").

Eddies Cove comprises of 450 ha of mineral claims and is located 57 kilometres west of the town of Saint Anthony in Northwestern Newfoundland.

Harp Lake Property that comprises of 3,452.5 ha of mineral claims and is located in the Central Northern Labrador, 100 kilometres West of Hopedale and 100 kilometres South-West of Natuashish and 210 kilometres Northwest of Goose Bay.

Hare Bay is located 15 kilometres West of St. Anthony, North-Western Newfoundland and has 750 ha of mineral claims.

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

Newfoundland Properties (cont'd)

As consideration for this acquisition, the Company paid $15,000 as cash and issued 4,000,000 common shares with a fair value of $520,000 which was allocated proportionally among the three properties based on the total hectares. The Newfoundland Properties are in different geographic locations and are therefore considered to be separate CGU's.

As at December 31, 2023, the Company held $27,600 (December 31, 2022 - $nil) in deposits with the Government of Newfoundland. The deposits were required in lieu of work commitments on several mineral licenses.

Upon completion of the work commitment and submission of an assessment report the deposit will be returned to the Company.

Subsequent to the year ended December 31, 2023, the Company elected to abandon the Harp Lake Nickel Project and consequently wrote-off all capitalized acquisition costs of $397,009 at December 31, 2023.

Gretna Green Project

On July 5, 2020, the Company acquired the Gretna Green Project, which is comprised of one mineral claim located 24 kilometres southwest of Port Alberni, British Columbia. As consideration for the acquisition, the Company paid $3,333 cash, and issued 416,666 common shares with a fair value of $158,333 to an arm's length private company.

Tyber Project

On July 5, 2020, the Company acquired the Tyber Project, which is comprised of one mineral claim located 1.4 kilometres south of Arrowsmith Lake, British Columbia. As consideration for the acquisition, the Company paid $3,333 cash, and issued 416,667 common shares with a fair value of $158,333 to an arm's length private company.

Empirical Project

The Empirical Project ("Empirical") consists of six unpatented mineral claims which are located in the Lillooet Mining Division of British Columbia, Canada.

As consideration for the acquisition, the Company paid an aggregate of $53,334 cash, issued an aggregate of 2,416,667 common shares with an aggregate fair value of $168,334. The Company also paid $7,013 in staking fees.

The Company elected to abandon the project and wrote-off capitalized costs of $228,681 during the year ended December 31, 2023.

(EXPRESSED IN CANADIAN DOLLARS)

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

The following table is a reconciliation of exploration and evaluation assets for the year ended December 31, 2023.

	Acquisition costs December 31, 2022	Additions Cash	Additions Shares	Impairment	Acquisition costs December 31, 2023
Lithium 381	$ 176,000	$ -	$ -	$ -	$ 176,000
Fecteau Project	101,250	35,000	46,296		182,546
Empirical Project	228,681	-	-	(228,681)	-
Gretna Project	161,666	-	-		161,666
Tyber Project	161,666	-	-		161,666
Eddies Cove Project	51,747	-	-		51,747
Harp Lake Project	397,009	-	-	(397,009)	-
Hare Bay Project	86,244	-	-		86,244
	$ 1,364,263	$ 35,000	$ 46,296	$ (625,690)	$ 819,869

The following table is a reconciliation of exploration and evaluation assets for the year ended December 31, 2022.

	Acquisition costs December 31, 2021	Additions Cash	Additions Shares	Acquisition costs December 31, 2022
Lithium 381	$ -	$ -	$ 176,000	$ 176,000
Fecteau Project	-	60,000	41,250	101,250
Empirical Project	228,681	-	-	228,681
Gretna Project	161,666	-	-	161,666
Tyber Project	161,666	-	-	161,666
Eddies Cove Project	-	1,451	50,296	51,747
Harp Lake Project	-	11,131	385,878	397,009
Hare Bay Project	-	2,418	83,826	86,244
	$ 552,013	$ 75,000	$ 737,250	$ 1,364,263

(EXPRESSED IN CANADIAN DOLLARS)

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

During the year ended December 31, 2023, the Company incurred exploration costs as follows:

Exploration Expenditures	Gretna Green Project	Tyber Project	KM381	Fecteau	Total
Administration	$ 2,614	$ 2,204	$ -	$ -	$ 4,818
Database maintenance	-	-	960	4,200	5,160
Drilling	-	-	-	18,018	18,018
Geological consulting	18,275	10,225	-	480	28,980
Licences and permits	-	-	9,352	12,184	21,536
Meals and lodging	840	710	-	-	1,550
Mobilization/Demobilization	3,000	3,000	-	-	6,000
Survey	-	-	-	26,586	26,586
Transportation	490	3,669	-	-	4,159
	$ 25,219	$ 19,808	$ 10,312	$ 61,468	$ 116,807

During the year ended December 31, 2022, the Company incurred exploration costs as follows:

Exploration Expenditures	Destiny Project	Empirical Project	Gretna Green Project	Tyber Project	Eddies Cove Project	Hare Bay Project	KM381	Fecteau	Total
Administration	$ -	$ -	$ -	$ -	$ 1,774	$ 2,541	$ 10	$ 10	$ 4,335
Assays	29,465	11,476	365	-	1,200	1,470	-	66,636	110,612
Drilling	10,000	-	-	-	-	-	-	894,358	904,358
Field Expenditure	-	-	-	-	1,176	3,123	69,095	156,910	230,304
Geological	-	-	-	-	6,000	8,000	51,420	24,340	89,760
Mapping	-	-	-	-	-	-	-	4,200	4,200
Meals and lodging	15,122	-	-	-	450	1,350	1,125	1,125	19,172
Mobilization/Demobilization	-	-	-	-	3,000	3,000	2,500	30,721	39,221
Property access payments	100,000	-	-	-	-	-	-	-	100,000
Database maintenance	10,800	-	-	-	-	-	56,445	30,000	97,245
Licences and permits	6,799	4,412	3,912	3,912	-	-	11,507	11,507	42,049
Survey	-	-	-	-	-	-	155,417	234,244	389,661
	$ 172,186	$ 15,888	$ 4,277	$ 3,912	$ 13,600	$ 19,484	$ 347,519	$ 1,454,051	$ 2,030,917

(EXPRESSED IN CANADIAN DOLLARS)

5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2023		December 31, 2022
Accounts payable (Note 9)[1]	$	506,894	$	269,724
Accrued liabilities[2]		102,454		250,659
	$	609,348	$	520,383

(1) During the year ended December 31, 2023, the Company entered a debt settlement agreement with a vendor and recognized a gain on settlement of debt of $8,924.

(2) During the year ended December 31, 2023, the Company returned certain surface rights to the original property owners in settlement of $100,000 of outstanding acquisition payments.

6. SHARE CAPITAL

Authorized

The authorized share capital consists of an unlimited number of common and preferred shares without par value.

As at December 31, 2023, the total common shares outstanding are 46,047,777 (December 31, 2022 – 43,362,592) and nil preferred shares issued.

Escrowed shares

As at December 31, 2023, the Company had 450,000 shares in escrow. Increments of 90,000 shares will be released every four months beginning April 6, 2024.

These escrow shares may not be transferred, assigned, or otherwise dealt without the consent of regulatory authorities.

Share issuances

Year ended December 31, 2023

Shares issued for Quebec Properties

On February 2, 2023, the Company issued 185,185 common shares with a fair value of $46,296 as project acquisition cost pursuant to the Fecteau Agreement (Note 4).

Shares issued on vesting of Restricted Share Unit's

On June 7, 2023, the Company issued 2,500,000 common shares with a fair value of $375,000 upon vesting of 2,500,000 Restricted Share Units's ("RSU") in accordance with the Company's Long Term Incentive Plan ("LTIP").

Year ended December 31, 2022

Shares issued for Newfoundland Properties

On August 23, 2022, the Company issued 4,000,000 common shares with a fair value of $520,000 as project acquisition costs pursuant to the Newfoundland Agreement (Note 4).

(EXPRESSED IN CANADIAN DOLLARS)

6. SHARE CAPITAL (cont'd)

Share issuances (cont'd)

Shares issued for Quebec Properties

On December 19, 2022, the Company issued 250,000 finder's shares with a fair value of $50,000 as project acquisition costs in connection with the Lithium 381 project (Note 4).

On December 28, 2022, the Company issued 250,000 finder's shares with a fair value of $41,250 as project acquisition costs pursuant to the Fecteau Agreement (Note 4).

On December 29, 2022, the Company issued 720,000 common shares with a fair value of $126,000 as project acquisition costs pursuant to the Lithium 381 Agreement (Note 4).

Private placements

On December 28, 2022, the Company completed a non-brokered private placement of 10,000,000 units at a price of $0.10 per unit ("Units") for gross proceeds of $1,000,000. Each Unit consisted of one common share in the capital of the Company and one common share purchase warrant. Each share purchase warrant is exercisable into one additional common share at a price of $0.12 per common share until December 28, 2025. On December 4, 2023 the Company repriced the share purchase warrants to $0.06 and extended the expiry to January 7, 2026.

The Company paid cash finder's fees of $5,100 and issued 51,000 agent options with a fair value of $5,606, which were recorded as share issue costs. Each agent option is exercisable into one additional common share at a price of $0.12 per common share until December 28, 2025. The fair value of the agent options was determined using Black-Scholes Option Pricing Model with the following inputs: volatility 92.96%, expected life of 3 years, and a risk-free rate of 3.77%.

Warrants

The following is a summary of the Company's warrant activity:

	Number of warrants	Weighted average exercise price $
Balance, December 31, 2021	**3,144,648**	**1.03**
Issued	10,000,000	0.06
Expired	(3,144,648)	1.03
Balance, December 31, 2022 and December 31, 2023	**10,000,000**	**0.06**

As of December 31, 2023, the Company had 10,000,000 warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise Price $	Remaining life (years)	Number of warrants outstanding	Number of warrants exercisable
January 7, 2026	0.06	2.02	10,000,000	10,000,000

(EXPRESSED IN CANADIAN DOLLARS)

6. SHARE CAPITAL (cont'd)

Agent options

The following is a summary of the Company's agent options activity:

	Number of agent options	Weighted average exercise price $
Balance, December 31, 2021	**1,044,583**	**0.58**
Granted	51,000	0.12
Expired	(1,044,583)	0.58
Balance, December 31, 2022 and December 31, 2023	**51,000**	**0.12**

As of December 31, 2023, the Company had 51,000 agent options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise Price $	Remaining life (years)	Number of agent options outstanding	Number of agent options exercisable
December 28, 2025	0.12	1.99	51,000	51,000

Options

The following is a summary of the Company's options activity:

	Number of options	Weighted average exercise price $
Balance, December 31, 2021	**1,600,000**	**1.23**
Granted	1,600,000	0.14
Balance, December 31, 2022	**3,200,000**	**0.69**
Granted	350,000	0.11
Cancelled	(1,600,000)	1.23
Balance, December 31, 2023	**1,950,000**	**0.13**

As of December 31, 2023, the Company had options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise Price $	Remaining life (years)	Number of options outstanding	Number of options exercisable
December 7, 2025	0.14	1.94	1,600,000	1,600,000
April 4, 2026	0.265	2.29	50,000	50,000
December 4, 2026	0.09	2.93	300,000	300,000
		2.10	**1,950,000**	**1,950,000**

During the year ended December 31, 2023, the Company recognized a total of $353,345 (2022 - $199,501) in share-based compensation which was comprised of the following:

6. SHARE CAPITAL (cont'd)

Options (cont'd)

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

a) issued 50,000 share options to a consultant of the Company. Each option is exercisable at $0.265 per share until April 4, 2026. All of the options vested upon date of grant. The estimated fair value of the options was $6,085 measured using the Black-Scholes Option Pricing Model with the following assumptions: share price $0.215 exercise price- $0.265, expected life – 3 years, volatility – 94.94%, dividend yield - $0, and risk-free rate – 3.33%.

b) issued 300,000 share options to a director of the Company. Each option is exercisable at $0.09 per share until December 4, 2026. All of the options vested upon date of grant. The estimated fair value of the options was $6,960 measured using the Black-Scholes Option Pricing Model with the following assumptions: share price $0.04 exercise price- $0.09, expected life – 3 years, volatility – 117.20%, dividend yield - $0, and risk-free rate – 5.00%.

During the year ended December 31, 2022, the Company granted 1,600,000 share options to two consultants. Each option is exercisable at $0.14 per share until December 7, 2025. All of the options vested upon date of grant. The estimated fair value of the options was $144,711 measured using the Black-Scholes Option Pricing Model with the following assumptions: share price $0.15 exercise price- $0.14, expected life – 3 years, volatility – 90.34%, dividend yield - $0, and risk-free rate – 3.48%.

Restricted Share Units

The Company has a LTIP. RSU's granted under the LTIP entitles directors, officers or employees to common shares of the Company upon vesting, based on vesting terms determined by the Company's Board of Directors at the time of grant.

During the year ended December 31, 2023, the Company granted an aggregate of 1,700,000 RSUs which vest on April 4, 2024. During the year ended December 31, 2022, the Company granted an aggregate of 2,500,000 RSUs which vested on June 7, 2023. For the year ended December 31, 2023, the Company recognized $340,300 (2022 - $50,000) in share-based compensation related to the RSUs.

7. FLOW-THROUGH SHARE LIABILITY AND RECOVERY OF FLOW THROUGH PREMIUM

During year ended December 31, 2022, the Company incurred eligible flow-through expenditures of $1,810,875 and reported a recovery of flow-through premium of $380,637. As at December 31, 2023 and December 31, 2022, the Company had a remaining flow-through liability of $nil and $nil in unspent flow-through funds.

In accordance with the flow-through share agreements, the Company may be required to indemnify the holders of any such shares any tax and other costs payable to them in the event the Company does not fulfil its flow through expenditure requirements.

8. FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

8. FINANCIAL RISK MANAGEMENT (cont'd)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company's cash is deposited in bank accounts held with major banks in Canada.

As most of the Company's cash is held by the banks there is a concentration of credit risk. This risk is managed by using major banks that are high quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. 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.

As at December 31, 2023, the Company has cash of $20,560 (December 31, 2022 - $1,085,019) to settle $609,348 (December 31, 2022 - $520,383) in accounts payable and accrued liabilities that are due within 90 days of period-end.

Currency risk

The Company currently has minimal foreign exchange risk as it conducts the majority of its business within Canada in Canadian dollars.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements and there were no changes in the Company's capital management during the year ended December 31, 2023.

Fair value hierarchy

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:

(EXPRESSED IN CANADIAN DOLLARS)

8. FINANCIAL RISK MANAGEMENT (cont'd)

Fair value hierarchy (cont'd)

- 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 fair value of the Company's financial instruments which includes cash, accounts receivable, and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these financial instruments.

9. RELATED PARTY TRANSACTIONS

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

As at December 31, 2023, $264,734 (December 31, 2022 - $45,222) was included in accounts payable and accrued liabilities owing to directors, officers, and companies controlled or affiliated with directors and officers of the Company. Amounts due to related parties consist of charges accrued for accounting fees, consulting fees, corporate advisory fees, and exploration and evaluation costs. These amounts are due to a director and two companies controlled by two directors. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The Company has identified all directors and officers as its key management personnel. The following are the transactions with related parties during the year ended December 31, 2023 and 2022:

For the year ended		**December 31, 2023**		**December 31, 2022**
Professional fees to a company controlled by a Director and CEO of the Company	$	120,000	$	150,000
Director fees to a company controlled by a Director of the Company		19,500		18,000
Director fees paid to a current Director of the Company		13,500		-
Director fees paid to a former Director of the Company		12,000		-
Accounting fees to a company that employs the CFO of the Company		60,000		60,000
Rent costs to a company controlled by a Director and CEO of the Company.		32,000		48,000
Exploration expenditures charged by a company controlled by a Director and CEO of the Company		3,000		229,794
Share based payments to officers and directors of the Company		242,716		34,000
	$	502,716	$	539,794

(EXPRESSED IN CANADIAN DOLLARS)

10. INCOME TAXES

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

		December 31, 2023		December 31, 2022
Loss for the year before income taxes	$	(2,355,810)	$	(2,771,748)
Tax rate		27%		27%
Expected income tax recovery	$	(609,000)	$	(747,000)
Items not deductible for tax purposes		95,000		53,000
Under (over) provided in prior years		-		(3,000)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses		(461,000)		-
Origination and reversal of temporary differences		-		115,000
Benefits of tax losses not recognized		975,000		582,000
Total income tax recovery	$	-	$	-

The Company has not recognized any deferred tax assets or liabilities as of December 31, 2023.

As at December 31, 2023, the Company has not recognized the benefit of the following deductible temporary differences:

		December 31, 2023		December 31, 2022
Non-capital loss carry-forwards expiration beginning 2043	$	6,133,000	$	4,776,000
Resource properties	$	3,277,000	$	872,000
Share issue costs	$	264,000	$	428,000

11. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

The Company's significant non-cash transactions during the year ended December 31, 2023 were as follows:

a) On February 2, 2023, the Company issued 185,185 common shares with a fair value of $46,296 as project acquisition cost pursuant to the Fecteau Agreement (Note 4).

b) On June 7, 2023, the Company issued 2,500,000 common shares with a fair value of $375,000 upon vesting of 2,500,000 RSU's (Note 6).

c) The Company recognized a recovery to share-based payment reserves in aggregate of $1,134,168 related to the cancellation of stock options.

d) The Company abandoned the Empirical Project and the Harp Lake Project and recognized an impairment on acquisition costs of $625,690 (Note 4).

The Company's significant non-cash transactions during the year ended December 31, 2022 were as follows:

a) On August 23, 2022, the Company issued 4,000,000 common shares with a fair value of $520,000 as project acquisition costs pursuant to the Newfoundland Agreement (Note 4).

11. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

b) On December 19, 2022, the Company issued 250,000 finder's shares with a fair value of $50,000 as project acquisition costs in connection with the Lithium 381 project (Note 4).

c) On December 28, 2022, the Company issued 250,000 finder's shares with a fair value of $41,250 as project acquisition costs pursuant to the Fecteau Agreement (Note 4).

d) On December 29, 2022, the Company issued 720,000 common shares with a fair value of $126,000 as project acquisition costs pursuant to the Lithium 381 Agreement (Note 4).

e) The Company recognized a recovery to share-based payment reserves in aggregate of $335,146 related to the expiry of agent options.

During the year ended December 31, 2023, the Company paid $nil (2022 - $nil) interest and taxes.

12. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at December 31, 2023 all the Company's assets were located in Canada.

13. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2023, the Company settled an aggregate of $239,082 in debt with two creditors, pursuant to which an aggregate of 5,977,033 units of the Company valued at $0.05 per unit were issued.

Each unit consists of one common share in the capital of the Company and one share purchase warrant, with each warrant entitling the holder thereof to acquire one additional share on or before March 27, 2025 at an exercise price of $0.05 per warrant share.