HERITAGE
MINING LTD

FINANCIAL STATEMENTS

Years ended December 31, 2022 and 2021

(EXPRESSED IN CANADIAN DOLLARS)

Crowe

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Independent Auditor's Report

To the Shareholders of Heritage Mining Ltd

Opinion

We have audited the financial statements of Heritage Mining Ltd (the "Company"), which comprise the statements of financial position as at December 31, 2022 and December 31, 2021 and the statements of comprehensive loss, changes in 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, 2022 and December 31, 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty 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. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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.

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

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
April 21, 2023

HERITAGE MINING LTD.
Statements of Financial Position
As at December 31, 2022 and 2021
(Expressed in Canadian dollars)

		2022		2021
ASSETS				
Current assets				
Cash	**$**	**808,833**	$	1,006,655
Goods and services tax receivable		**227,790**		70,860
Prepaids		**609,374**		12,139
Total current assets		**1,645,997**		1,089,654
Reclamation bond (Note 4)		**-**		1,500
Total assets	**$**	**1,645,997**	$	1,091,154
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 6)	**$**	**187,110**	$	46,330
Flow through premium (Note 7)		**10,902**		42,321
Total liabilities		**198,012**		88,651
EQUITY				
Share capital (Note 8)		**4,902,098**		1,666,188
Reserves (Notes 8 and 9)		**177,414**		64,310
Share subscription advances (Note 8)		**-**		22,500
Deficit		**(3,631,527)**		(750,495)
Total equity		**1,447,985**		1,002,503
Total liabilities and equity	**$**	**1,645,997**	$	1,091,154

Nature of operations and going concern (Note 1)
Subsequent Events (Note 15)

Approved and authorized for issue by the Board of Directors on April 21, 2023:

"Peter Schloo"	*"Patrick Mohan"*
Peter Schloo, Director	Patrick Mohan, Director

Accompanying notes are an integral part of the financial statements

HERITAGE MINING LTD.
Statements of Comprehensive Loss
For the years ended December 31, 2022 and December 31, 2021
(Expressed in Canadian dollars)

	Year ended December 31, **2022**	2021
Expenses		
Consulting	**$ -**	$ 3,570
Exploration expenditures (Note 5)	**1,863,029**	262,767
Management fees (Note 12)	**126,000**	126,112
General and administrative (Note 12)	**57,339**	8,636
Professional fees (Note 12)	**216,119**	60,612
Share-based payments (Notes 8 and 12)	**6,649**	19,214
Investor relations	**582,973**	3,350
Capital market advisory	**91,760**	-
Regulatory, filing and transfer agent fees	**26,587**	-
Expense before other item	**(2,970,456)**	(484,261)
Flow through premium recovery (Note 7)	**89,424**	28,872
Net and comprehensive loss	**$ (2,881,032)**	$ (455,389)
Loss per share - basic and diluted	**$ (0.13)**	$ (0.03)
Weighted average number of shares outstanding	**23,003,809**	15,652,606

Accompanying notes are an integral part of the financial statements

Heritage Mining Ltd.
Statements of Changes in Equity
For the years ended December 31, 2022 and December 31, 2021
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Share Subscription Advances	Deficit	Total Equity
Balance, December 31, 2020	11,817,984	$ 855,846	$ 34,725	$ 160,170	$ (295,106)	$ 755,635
Private placement	4,870,245	898,625	-	(160,170)	-	738,455
Share issue costs	-	(24,895)	10,371	-	-	(14,524)
Flow-through premium	-	(63,388)	-	-	-	(63,388)
Share-based payments	-	-	19,214	-	-	19,214
Share subscription advances	-	-	-	22,500	-	22,500
Net loss for the year	-	-	-	-	(455,389)	(455,389)
Balance, December 31, 2021	16,688,229	1,666,188	64,310	22,500	(750,495)	1,002,503
Private placement	11,807,790	3,009,953	-	(22,500)	-	2,987,453
Share issue costs	-	(441,600)	112,722	-	-	(328,878)
Flow-through premium	-	(58,005)	-	-	-	(58,005)
Shares issued for property	4,332,000	702,500	-	-	-	702,500
Shares issued for services	40,000	7,000	-	-	-	7,000
Exercise of options	25,000	3,260	(1,385)	-	-	1,875
Exercise of broker warrants	105,600	12,802	(4,882)	-	-	7,920
Share-based payments	-	-	6,649	-	-	6,649
Net loss for the year	-	-	-	-	(2,881,032)	(2,881,032)
Balance, December 31, 2022	32,998,619	$ 4,902,098	$ 177,414	$ -	$ (3,631,527)	$ 1,447,985

Accompanying notes are an integral part of the financial statements

HERITAGE MINING LTD.
Statements of Cash Flows
For the years ended December 31, 2022 and December 31, 2021
(Expressed in Canadian Dollars)

For the years ended	**December 31, 2022**	December 31, 2021
Operating Activities		
Net loss for the year	**$ (2,881,032)**	$ (455,389)
Items not affecting cash:		
Share-based payments	**6,649**	19,214
Shares issued for property	**702,500**	-
Shares issued for services	**7,000**	-
Flow through premium recovery	**(89,424)**	(28,872)
Changes in non-cash working capital items related to operations:		
Goods and services tax receivable	**(156,930)**	(42,197)
Prepaids	**(597,235)**	(12,139)
Accounts payable and accrued liabilities	**140,780**	(4,826)
Cash used in operating activities	**(2,867,692)**	(524,209)
Investing Activities		
Reclamation bond	**1,500**	-
Cash provided by investing activities	**1,500**	-
Financing Activities		
Shares issued for cash, net of share issue costs	**2,658,575**	723,931
Exercise of options	**1,875**	-
Exercise of warrants	**7,920**	-
Share subscription advances	**-**	22,500
Cash provided by financing activities	**2,668,370**	746,431
Change in cash during the year	**(197,822)**	222,222
Cash, beginning of year	**1,006,655**	784,433
Cash, end of the year	**$ 808,833**	$ 1,006,655
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Non-cash financing activities		
Fair value of brokers' warrants	$ 112,722	$ 10,371
Fair value of stock options exercised	$ 1,385	$ -
Fair value of finder's warrants	$ 4,882	$ -

Accompanying notes are an integral part of the financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Heritage Mining Ltd. (the "Company") was incorporated on October 18, 2019, under the Business Corporations Act (British Columbia). The Company is engaged in the business of exploration for gold and other metals across Canada. The Company's principal objectives are to explore and develop the Drayton - Black Lake Property and to identify other properties worthy of investment and exploration.

The Company's registered office is located at Suite 1700, 1055 West Hastings Street, Vancouver, British Columbia, V6C 2E9. The Company's head office is located at 300-1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has no source of revenues and incurred losses since its inception and had an accumulated deficit of $3,631,527 at December 31, 2022 (2021 - $750,495). This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The COVID-19 pandemic has caused significant and negative impact to the global financial market. The Company continues to monitor and assess the impact on its business activities. The potential impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

In late February 2022, a conflict commenced in Ukraine. In response, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the company expects any direct impacts of the conflict in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

2. BASIS OF PRESENTATION

Statement of compliance

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

<u>Basis of preparation</u>

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs except for certain financial instruments which are measured at fair value.

2. BASIS OF PRESENTATION (continued)

Significant accounting 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 expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant accounting judgments

Information about critical judgments, apart from those involving estimates, in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statement are discussed below:

Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding availability for its exploration projects and working capital requirements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalent

Cash and cash equivalent includes cash on hand, demand deposits with financial institutions, and other short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Exploration and evaluation expenditures

Exploration and evaluation expenditures, including acquisition costs, are expensed in the year in which they are incurred. Mining exploration tax credits for certain exploration expenditures incurred are recorded against exploration and evaluation expenditures when received.

When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance when the fair value of the costs cannot be determined.

Once the technical feasibility and commercial viability of extracting the mineral resources has been determined, the property is considered to be a mine under development and development costs are capitalized to "mines under construction" on the statement of financial position.

Restoration and environmental obligations

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration and environmental obligations (continued)

Restoration and environmental obligations are recorded as liabilities when those obligations are incurred and are measured at the present value, if a reasonable estimate of the expected costs to settle the liability can be determined, discounted at a current pre-tax rate specific to the liability. In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows. The accretion of the liability to its fair value as a result of the passage of time is charged to earnings while changes resulting from the revisions to either the timing or the amount of the original estimate of the undiscounted cash flows are accounted for as part of the carrying amount of the related long-lived asset. The carrying amount of the restoration and environmental obligations is reviewed to reflect current estimates and changes in the discount rate.

Capital stock

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, share purchase warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Proceeds from the exercise of stock options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued at the closing market price at the date of issuance when the fair value of the non-monetary assets cannot be reasonably estimated.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve within share-based payments reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value in warrants reserve is transferred to capital stock. For those warrants that expire the recorded value is transferred to deficit.

Flow-through shares

The Company will from time to time issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as recovery of flow-through premium liability and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are required to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with the Government of Canada flow-through regulations. When applicable, this tax is accrued as an expense until paid.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income (loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the income (loss) attributable to common shareholders equals the reported income (loss) attributable to owners of the Company. Diluted income (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. As the Company has reported losses for the periods presented, the effect of stock options and warrants is anti-dilutive; therefore, basic loss per share equals diluted loss per share.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments 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 and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes Pricing Model. 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 for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Income taxes

Current income tax:

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

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss 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 using the asset and liability method 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred income tax assets and 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.

Financial instruments

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Cash, reclamation bond and accounts payable and accrued liabilities are classified as amortized cost.

ii) Measurement

Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included profit or loss in the period in which they arise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

iii) Impairment of financial assets at amortized cost

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

iv) Derecognition

Financial assets

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

Financial liabilities

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

Foreign currency translation

The functional currency of the Company is Canadian Dollar, which is the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are translated at rates in effect at the time of the transaction. Monetary assets and liabilities are translated at period end rates. Gains and losses are included in profit and loss.

Adoption of new accounting standards

There were no new pronouncement that would have any significant effect on these financial statements.

4. RECLAMATION BOND

Reclamation bond is held as security towards future exploration work and the related future potential cost of reclamation of the Company’s land and unproven mineral interests. Once reclamation of the properties is complete, the reclamation bond will be returned to the Company. As at December 31, 2022, $Nil (2021 – $1,500) is being held as security on one of the Company’s mineral properties.

As at December 31, 2022 and 2021, the Company had no material reclamation obligations.

(Expressed in Canadian dollars)

5. EXPLORATION EXPENDITURES

The exploration and evaluation expenses for the Company for the years ended December 31, 2022 and 2021 are summarized as follows:

	Drayton – Black Lake	Contact Bay	Zarn Lake	Other Properties	2022 Total
Acquisition cost	$ 800,500	$ 43,000	$ 70,000	$ -	$ 913,500
Assay	33,123	-	13,979	993	48,095
Field work and supplies	247,182	-	36,969	-	284,151
Geological and geophysical	435,165	9,000	42,924	17,000	504,089
Report	93,034	8,481	11,679	-	113,194
Exploration expenditures	$ 1,609,004	$ 60,481	$ 175,551	$ 17,993	$ 1,863,029

	Harrigan Cove	Drayton – Black Lake	Contact Bay	2021 Total
Acquisition cost	$ -	$ 20,000	$ 32,350	$ 52,350
Assay	42,625	-	-	42,625
Field work and supplies	-	9,072	-	9,072
Geological and geophysical	37,328	3,200	91,758	132,286
Report	2,500	11,000	-	13,500
Travel	-	12,934	-	12,934
Exploration expenditures	$ 82,453	$ 56,206	$ 124,108	$ 262,767

Harrigan Cove Project

On September 1, 2020, the Company entered into an option agreement to acquire a 100% interest in the Harrigan Cove Property. To earn its 100% interest in the property, the Company paid $5,000 cash upon signing the letter of intent and $40,000 on signing the definitive agreement, and is required to make annual staged option payments starting in the first anniversary of the effective date totaling $320,000 cash and 300,000 common shares over a two-year period as follows:

- Pay $40,000 in cash on the date of the Agreement (the “Initial Payment”) (paid);
- Pay $80,000 on or before the first anniversary of the Agreement;
- Pay $200,000 on or before the second anniversary of the Agreement;
- Issue 300,000 Common Shares on or before the second anniversary of the Harrigan Cove Option Agreement.

The Company paid the Initial Payment to the Optionors and the Harrigan Cove Option Agreement is in good standing. Upon the Company vesting a 100% interest the Harrigan Cove Property, the Optionors would retain a 2% Net Smelter Return Royalty of which the Company can purchase 1%, thereby reducing it to a 1% Net Smelter Return Royalty, for $1,000,000.

On September 21, 2021, the Company terminated the option agreement.

5. EXPLORATION EXPENDITURES (continued)

Drayton - Black Lake Project

On November 25, 2021, the Company entered into an option agreement to acquire a 90% interest in the Drayton - Black Lake Property. The Company paid $20,000 upon signing the letter of intent and is required to make staged option payments, common share issuances and minimum spend requirements over a four year period. To earn a 51% interest in the property, the Company must:

- Issue 2,800,000 shares within 10 business days upon a go public transaction (issued).
- Pay $150,000 cash (paid), issue 1,100,000 common shares (issued) and incur $500,000 in project expenditures on or before the first anniversary;
- Pay $150,000 cash, issue 1,100,000 common shares and incur $1,000,000 in project expenditures on or before the second anniversary;
- Issue 1,100,000 common shares and incur $1,000,000 in project expenditures on or before the third anniversary to earn 51% interest in the property;

To earn an additional 39% interest (for an aggregate 90% interest in the Property), the Company must:

- Issue 1,100,000 common shares and incur $2,500,000 in project expenditures on or before the fourth anniversary to earn 90% interest in the property;

The optionor is also entitled to a cash payment upon the establishment of any mineral resources in the Drayton - Black Lake Project equal to $1.00 per ounce of gold equivalent capped at $10M.

The optionor has the option to maintain a 10% interest in the project through a joint venture agreement or take back a royalty described below upon the presentation of a feasibility study:

- 2% NSR on unincumbered land – Buyback 1% for $2M
- 1% NSR on Drayton - Black Lake Claims – Buyback 0.5% for $1M

The Company must spend a minimum of $500,000 per year through to the presentation of a feasibility study.

Split Lake Property

The Company entered a definitive asset purchase agreement with Bounty Gold Corp. (“Bounty”) dated August 25, 2022 (the “Agreement”) whereby it will acquire fifty (50) mining claims in the Split Lake zone (the “Split Lake Property”) adjacent to Heritage’s flagship Drayton-Black Lake Project. Pursuant to the terms of the Agreement, Heritage will acquire a 100% interest in the Split Lake Property in exchange for issuing Bounty 100,000 Common Shares (issued September 1, 2022), paying Bounty $5,000 in cash (paid) and granting Bounty a 1% net smelter return royalty (the “NSR”) on the Split Lake Property at closing, one-half (0.5%) of such NSR may be purchased for $500,000 by Heritage.

5. EXPLORATION EXPENDITURES (continued)

Contact Bay Project

On October 15, 2021, the Company entered into an asset purchase agreement to acquire a 100% interest in the Contact Bay claims from Bounty Gold Corp. To earn its 100% interest in the property, the Company paid $2,000 upon signing the purchase agreement and is required to issue $8,000 worth of common shares upon the go public transaction (32,000 shares issued).

On October 22, 2021, the Company entered into an asset purchase agreement to acquire a 100% interest in the Contact Bay claims from Scott Woolhead. To earn a 100% interest in the property, the Company paid $2,500 upon signing the purchase agreement.

On December 6, 2021, the Company entered into an asset purchase agreement (the “EMX Agreement”) to acquire a 100% interest in the Contact Bay claims from EMX Royalties. To earn a 100% interest in the property, the Company paid $15,000 upon signing the asset purchase agreement. EMX Royalties retains a 3% NSR with a 1% buyback provision for $1,500,000. Annual advanced royalties are due to EMX Royalties beginning on the third anniversary of the EMX Agreement in the amount of $10,000 per year (common shares of the Company or cash at the Company’s discretion) until a maiden resource is issued, after that time an annual royalty of $25,000 (common shares of the Company or cash at the Company’s discretion) is payable by the Company until production occurs. EMX Royalties is entitled to milestone bonus payments in cash or shares at the Company’s discretion following the announcements listed below:

- $100,000 on announcement of maiden resource
- $250,000 on announcement of preliminary economic assessment
- $350,000 on announcement pre-feasibility study
- $500,000 announcement on feasibility study

On December 15, 2021, the Company entered into an option agreement to acquire a 100% interest in the Contact Bay claims from Transition Metals Corp. To earn its 100% interest in the property, the Company paid $10,000 upon signing the definitive agreement and is required to pay an additional $10,000 (paid) in cash and issue $25,000 (100,000 shares issued) worth of common shares upon a go public transaction. Transition Metals Corp. retains a 2% NSR with a 0.5% buyback provision for $1,000,000.

Zarn Lake Property

On January 6, 2022, the Company entered into an option agreement to acquire a 100% interest in the Zarn Lake property contiguous with the Drayton - Black Lake Project. To earn its 100% interest in the property, the Company paid $20,000 upon signing the option agreement and is required to make staged option payments, common share issuances and minimum spend requirements over a three year period as follows:

- Issue $50,000 worth of common shares upon completion of a go public transaction (200,000 shares issued);
- Pay $10,000 cash, issue $25,000 worth of common shares and incur $50,000 in project expenditures on or before the first anniversary (paid and issued subsequently);
- Pay $20,000 cash, issue $25,000 worth of common shares and incur $100,000 in project expenditures on or before the Second anniversary;
- Pay $70,000 cash, issue $50,000 worth of common shares and incur $250,000 in project expenditures on or before the third anniversary;

The optionor retains a 2% NSR on the property with a buy back of 1% for $1,000,000 and an advanced royalty payment of $1,000 per year after the Company earns 100% of the option agreement.

(Expressed in Canadian dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2022		December 31, 2021
Accounts payable	**$**	**167,110**	$	29,030
Accrued liabilities		**20,000**		17,300
	$	**187,110**	$	46,330

7. FLOW THROUGH PREMIUM

The following is a continuity schedule of the flow through premium.

		December 31, 2022		December 31, 2021
Balance, beginning of year	**$**	**42,321**	$	7,805
Incurred on flow-through shares issued during the year		**58,005**		63,388
Settlement of flow-through premium by incurring expenditures		**(89,424)**		(28,872)
	$	**10,902**	$	42,321

Year ended December 31, 2021:

In February 2021, the Company issued 551,902 flow-through units at a price of $0.17 per unit. The premium paid by investors was calculated as $0.02 per share. Accordingly, $11,038 was recorded as flow through premium.

In December 2021, the Company issued 1,047,003 flow-through units at a price of $0.30 per unit. The premium paid by investors was calculated as $0.05 per share. Accordingly, $52,350 was recorded as flow through premium.

Year ended December 31, 2022:

In August 2022, the Company issued 2,320,210 flow-through units at a price of $0.275 per unit. The premium paid by investors was calculated as $0.025 per share. Accordingly, $58,005 was recorded as flow through premium.

Expenditure Commitments:

As at December 31, 2022, the Company had approximately $120,000 (2021 - $272,000) of remaining commitment to incur exploration expenditures by December 31, 2023 in relation to its flow-through financing.

8. SHARE CAPITAL

Authorized:

The authorized share capital of the Company consists of unlimited common shares without par value.

Issued:

During the year ended December 31, 2022:

On January 26, 2022, the Company closed an equity financing involving the issuance of 1,514,000 units in the capital of the Company at a price of $0.25 per unit for aggregate proceeds of $378,500 (the “January 2022 Financing”). Each unit consists of one common share and one common share purchase warrant.

Each warrant is exercisable at $0.40 for a period of 36 months from the date of issuance. In connection with the financing, the Company paid a finder’s fee through the issuance of 42,000 broker warrants entitling the holder to purchase one additional common share at an exercise price of $0.40 for a period of 3 years from the date of issuance and aggregate cash payments of $10,500. The broker warrants have an estimated fair value of $5,547, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 100%, risk-free rate 1.42%, dividend yield 0%. In the event that the common shares of the Company are not listed by June 30, 2022 (the “Listing Deadline”), each subscriber in the January 2022 Financing shall be entitled to receive, for no additional consideration, a Penalty Warrant (a “Penalty Warrant”) for each unit subscribed for on the same terms. Any Penalty Warrants shall be issued by the Company within 10 business days of the Listing Deadline.

An aggregate 2,561,003 Penalty Warrants were issued by the Company pursuant to the December 2021, FT Financing and the January 2022 Financing if the common shares of the Company were not listed by the Listing Deadline.

The Company paid $11,379 cash for share issue costs.

On August 25, 2022, the Company completed an initial public offering ("IPO") of Units ("Units") and Flow-Through Units ("FT Units") of the Company at a price of $0.25 per Unit and $0.275 per FT Unit. Pursuant to the IPO, a total of 7,973,580 Units and 2,320,210 FT Units were issued for gross proceeds of $2,631,453. Each Unit consists of one common share and one common share purchase warrant (each a "Warrant"). Each FT Unit consists of one “flow-through share” and one Warrant.

Each Warrant is exercisable at $0.40 for a period of 36 months from the date of issuance. The Company granted the agent broker warrants to acquire an aggregate of 677,136 common shares at an exercise price of $0.25 for a period of 24 months following the completion of the offering. The broker warrants have an estimated fair value of $107,175, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 100%, risk-free rate 3.44%, dividend yield 0%.

The Company paid $306,999 cash for share issue costs.

During the year ended December 31, 2022, 105,600 broker warrants were exercised for proceeds of $7,920, resulting in a reallocation of share-based reserves of $4,882 to share capital.

During the year ended December 31, 2022, 25,000 stock options were exercised for proceeds of $1,875, resulting in a reallocation of share-based reserves of $1,385 to share capital.

8. SHARE CAPITAL (continued)

<u>During the year ended December 31, 2022:</u> (continued)

On September 1, 2022, the Company issued 100,000 common shares at a value of $25,000 as part of the acquisition payments for the Split Lake Property Agreement (Note 5).

On September 1, 2022, the Company issued 100,000 common shares at a value of $25,000 as part of the acquisition payments for the Contact Bay Project Agreement (Note 5).

On September 1, 2022, the Company issued 200,000 common shares at a value of $50,000 as part of the acquisition payments for the Zarn Lake Property Agreement (Note 5).

On September 1, 2022, the Company issued 2,800,000 common shares at a value of $490,000 as part of the acquisition payments for the Drayton - Black Lake Property Agreement (Note 5).

On September 1, 2022, the Company issued 32,000 common shares at a value of $8,000 as part of the acquisition payments for the Contact Bay Project Agreement (Note 5).

On September 1, 2022, the Company issued 40,000 common shares valued $7,000 to settle $7,000 of services with non-related party.

On November 25, 2022, the Company issued 1,100,000 common shares at a value of $104,500 as part of the acquisition payments for the Drayton - Black Lake Property Agreement (Note 5).

<u>During the year ended December 31, 2021:</u>

On February 19, 2021, the Company completed the third and final tranche and issued an additional 551,902 flow-through units at a price of $0.17 per flow-through unit for gross proceeds of $93,823 and an additional 3,271,340 non-flow through units at a price of $0.15 per non-flow through unit for gross proceeds of $490,701. A portion of these capital associated with this tranche was received on or before January 1, 2021. Each flow-through unit consists of one flow-through common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.20 for a period of 3 years from the closing date of the financing. Each non flow-through unit consists of one non flow-through common share and one warrant with each warrant entitling the holder to purchase one common share at an exercise price of $0.20 for a period of 3 years from the closing date of the closing date of the financing. The Company recognized flow-through premium of $11,038.

In connection with the financing, the Company issued 105,084 broker warrants entitling the holder to purchase one additional common share at an exercise price of $0.20 until February 19, 2024. The broker warrants have an estimated fair value of $8,805, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 100%, risk-free rate 0.32%, dividend yield 0%.

On December 31, 2021, the Company completed an equity financing and issued 1,047,003 flow-through units at a price of $0.30 per unit for gross proceeds of $314,101 (the “December 2021 FT Financing”). Each flow-through unit consists of one flow-through common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.40 until December 31, 2024. The Company recognized flow-through premium of $52,350.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

In connection with the financing, the Company issued 11,900 broker warrants entitling the holder to purchase one additional common share at an exercise price of $0.40 until December 31, 2024. The broker warrants have an estimated fair value of $1,566, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 100%, risk-free rate 1.12%, dividend yield 0%. In the event that the common shares of the Company are not listed on a designated exchange by the Listing Deadline, each subscriber in the December 2021 FT Financing shall be entitled to receive a Penalty Warrant for each unit subscribed for on the same terms. Any Penalty Warrants shall be issued by the Company within 10 business days of the Listing Deadline.

The Company paid $14,524 cash for share issue costs.

Stock options

The Company adopted a share option plan (the “Share Option Plan”) under which it may grant options to employees, officers, directors, or consultants for up to 10% of the issued and outstanding common shares. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee in a twelve-month period is limited to 5% of the issued shares of the Company.

Under the plan, the exercise price of an option may not be less than the discounted market price. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors. For share options granted to employees, directors, and consultants, the Company recognizes as an expense, the estimated fair value of the share options granted. The fair value of each share option granted was estimated on the date of grant using the Black-Scholes option-pricing model.

During the year ended December 31, 2022:

On December 23, 2022, the Company granted 1,390,000 stock options to directors, management and consultants at an exercise price of $0.15 per option for a period of 3 years from the date of issuance. The options have an estimated fair value of $51,900, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 100% based on comparable peer companies’ share price volatilities, risk-free rate 3.95%, dividend yield 0%. During the year ended December 31, 2022, the Company recognized share based payments expense of $853.

The options shall vest in equal increments over the next two years as follows:

Vesting Date	Options Vested
December 23, 2023	695,000
December 23, 2024	695,000
	1,390,000

The Company recognized share based payments expense of $5,796 related to vesting of options issued in prior periods.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

Stock options (continued)

During the year ended December 31, 2021:

The Company did not grant any options during the 2021 fiscal year.

A summary of changes of stock options during the years ended December 31, 2022 and 2021 is as follows:

	Options outstanding		Weighted Average Exercise Price	Weighted Average Years to Expiry
Balance, December 31, 2020	1,066,666	$	0.075	4.66
Forfeited	(120,000)		0.075	
Balance, December 31, 2021	946,666		0.075	3.66
Issued	1,390,000		0.150	-
Exercised	(25,000)		0.075	-
Balance, December 31, 2022	2,311,666	$	0.120	2.85

The average share price on the date of options exercised was $0.175 (2021 – N/A).

Details of stock options outstanding as at December 31, 2022, are as follows:

Outstanding	Exercisable	Exercise Price ($)	Expiry Date	Remaining contractual life (in years)
921,666	921,666	0.075	August 29, 2025	2.66
1,390,000	-	0.15	December 23, 2025	2.98
2,311,666	921,666			

Warrants

A summary of changes of warrants during the years ended December 31, 2022, and 2021 is as follows:

	Unit Warrants			Broker Warrants		
	Outstanding		Weighted Average Exercise Price	Outstanding		Weighted Average Exercise Price
Balance, December 31, 2020	3,684,942	$	0.12	109,600	$	0.08
Issued	4,870,245		0.24	116,984		0.22
Balance, December 31, 2021	8,555,187		0.19	226,584		0.15
Issued	14,368,793		0.40	719,136		0.26
Exercised	-		-	(105,600)		0.08
Expired	-		-	(4,000)		0.08
Balance, December 31, 2022	22,923,980	$	0.32	836,120	$	0.25

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

Warrants (continued)

Penalty warrants issued:

During the year ended December 31, 2022, pursuant to the terms of the December 2021 FT Financing and the January 2022 Financing, as the common shares of the Company were not listed on a designated exchange by June 30, 2022, subscribers in the December 2021 FT Financing and January 2022 Financing were issued, for no additional consideration, an aggregate 2,561,003 Penalty Warrants, on the same terms.

Details of Unit Warrants outstanding as at December 31, 2022, are as follows:

Outstanding and Exercisable	Exercise Price ($)	Expiry Date	Remaining contractual life (in years)
2,399,993	0.075	May 22, 2025	2.39
711,759	0.20	October 30, 2023	0.83
573,190	0.20	November 19, 2023	0.88
3,823,242	0.20	February 19, 2024	1.14
2,094,006	0.40	December 31, 2024	2.00
3,028,000	0.40	January 26, 2025	2.07
10,293,790	0.40	August 25, 2025	2.65
22,923,980			

Details of Broker Warrants outstanding as at December 31, 2022, are as follows:

Outstanding and Exercisable	Exercise Price ($)	Expiry Date	Remaining contractual life (in years)
105,084	0.20	February 19, 2024	1.14
11,900	0.40	December 31, 2024	2.00
42,000	0.40	January 26, 2025	2.07
677,136	0.25	August 25, 2025	2.65
836,120			

9. RESERVES

Share-based payment reserve

The share-based payment reserve records items recognized as share-based payments expense until such time that the share options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire or are forfeited, the corresponding amount previously recorded is transferred from share-based payments reserve to deficit.

Warrant reserve

The warrant reserve records items recognized as warrants until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount previously recorded is transferred from warrant reserve to deficit.

10. CAPITAL DISCLOSURE

The Company considers its capital structure to include cash and shareholders' equity. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to finance its operations using internally-generated cash flow and debt capacity; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and receivables.

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

11. FINANCIAL INSTRUMENTS AND RISKS

Fair Values

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and price risk.

a) 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 is exposed to credit risk by holding cash. This risk is minimized by holding cash in large Canadian financial institutions. This risk is assessed as low.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by management of its working capital to ensure its expenditures will not exceed available resources. At December 31, 2022 the Company had working capital of $1,447,985 (2021 - $1,001,003) to meet its financial obligations.

d) Price risk

Price risk is the risk that the risk of a decline in the value of the Company's financial instruments. Although price risk can be mitigated by hedging, the Company currently doesn't apply any hedging techniques as the Company doesn't have securities that are subject to price fluctuation.

(Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS

Related party balances

As at December 31, 2022, and 2021, there were amounts owing to related parties in the amount of $3,310 (2021 - $nil).

Related party transactions and key management compensation

During the years ended December 31, 2022 and 2021, the Company incurred the following amounts through transactions with the directors and officers of the Company:

	December 31, 2022	December 31, 2021
Management fees, professional fees, and general and administrative	$ 159,250	$ 133,206
Share-based payments	3,582	9,190
	$ 162,832	$ 142,396

During the year ended December 31, 2022, the Company paid $146,250 (2021 – $129,206) to a Company controlled by Peter Schloo, CEO and Director for executive, administrative services and rent. The Company signed an independent contractor agreement with its CEO for $126,000 per annum.

During the year ended December 31, 2022, the Company paid $12,000 (2021 - $4,000) to James Fairbairn, former CFO and Director, for professional services rendered.

During the year ended December 31, 2022, the Company paid $1,000 (2021 - $Nil) to Rachel Chae, CFO, for professional services rendered.

13. SEGMENTED INFORMATION

The Company currently operates in a single reportable operating segment, the acquisition, exploration and development of mineral properties. All of the Company's assets and expenditures are located in Canada.

14. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year Ended December 31,2022	Year Ended December 31, 2022
Net loss before tax	$ (2,881,032)	$ (455,389)
Statutory tax rate	27%	27%
Expected income tax recovery	(778,000)	(123,000)
Permanent differences	(22,000)	(3,000)
True up	(11,000)	-
Change in unrecognized tax benefits	811,000	126,000
Income tax recovery	$ -	$ -

(Expressed in Canadian dollars)

14. INCOME TAXES (continued)

The Company recognized deferred tax assets on losses or other deductible amounts where it is probable that sufficient future taxable profits will be available to realize such assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	December 31, 2022	Expiry	December 31, 2021	Expiry
Non-capital loss carry-forwards	$ 1,673,000	2039-2042	$ 167,000	2039-2041
Un-deducted resource pool	953,000	None	-	None
Share issuance costs	369,000	2023-2026	21,000	2022-2025
Unrecognized deductible temporary differences	$ 2,995,000		$ 188,000	

15. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2022, the Company:

i) issued 333,333 common shares at a value of $25,000 as part of the acquisition payments for the Zarn Lake Property Agreement (Note 5).

ii) completed the first tranche of a non-brokered private placement of 1,418,333 units at a price of $0.09 per unit for gross proceeds of $127,650. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.15 until April 12, 2026.

The Company also issued 2,510,000 flow-through units at a price at a price of $0.10 per flow-through unit for gross proceeds of $251,000. Each flow-through unit consists of one flow-through common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.15 until April 12, 2026.

The Company paid $17,020 in finders' fees and issued 213,000 compensation options entitling the holder to purchase one additional unit at an exercise price of $0.09 until April 12, 2026.