Advanced Gold Exploration Inc.

(formerly Advance United Holdings Inc.)

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

MS PARTNERS LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Advanced Gold Exploration Inc.

Opinion
We have audited the consolidated financial statements of Advanced Gold Exploration Inc. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss in the past and currently has an accumulated deficit of $4,355,355. As stated in Note 1, these events or conditions, along with other matters 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 Matter
The consolidated financial of the Company for the year ended December 31, 2022 were audited by another auditor who expressed an unqualified opinion on those statements on May 1, 2023.

Key Audit Matters
Key audit matters are those that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. 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.

We have determined the matter described in the above paragraph, *Material Uncertainty Related to Going Concern* to be the only key audit matter to be communicated in our report.

Other Information
Management is responsible for the other information. The other information comprise:
- Management's Discussion and Analysis; and

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work

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we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Nick Miseros.

MS Partners LLP

Licensed Public Accountants
Toronto, Ontario
April 26, 2024

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Advanced Gold Exploration Inc.

(formerly Advance United Holdings Inc.)

Consolidated Statements of Financial Position
As at December 31, 2023 and 2022

(expressed in Canadian dollars)

	Note		December 31, 2023		December 31, 2022
Assets					
Current assets					
Cash	4	$	**140,204**	$	191,633
Harmonized sales tax recoverable			**11,245**		137,445
Other receivable	5		**40,000**		20,440
Prepaid expenses and deposits			**10,121**		11,432
			201,570		360,950
Mineral properties	6		**771,133**		662,768
Total Assets		$	**972,703**	$	1,023,718
Liabilities and shareholders' equity					
Current liabilities					
Accounts payable and accrued liabilities	7	$	**502,230**	$	467,590
Flow-through liability	9(ix)		**45,667**		21,400
Total liabilities			**547,897**		488,990
Shareholders' equity					
Share capital	9	$	**4,310,214**	$	4,245,198
Warrants reserve	9(c)		**290,423**		169,037
Options reserve	9(d)		**10,524**		42,664
Shares to be issued	15		**169,000**		-
Deficit			**(4,355,355)**		(3,922,171)
			424,806		534,728
Total liabilities and shareholder's equity		$	**972,703**	$	1,023,718

Nature of business and going concern (note 1)
Commitments (note 14)
Subsequent events (note 15)

Approved by the Board of Directors on April 26, 2024.

"James Atkinson" Director

"Walter Henry" Director

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

Advanced Gold Exploration Inc.

(formerly Advance United Holdings Inc.)

Consolidated Statements of Loss and Compressive Loss

For the years ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

	Note	December 31, 2023	December 31, 2022
Expenses			
Business development		$ **42,026**	$ 375,358
Consulting fees		**34,650**	256,983
Professional fees		**113,542**	160,503
Management fees		**7,500**	121,333
Transfer agent, filing and regulatory fees		**40,123**	67,647
Administrative		**37,991**	48,752
Total expenses		**275,832**	1,030,576
Loss before undernoted		**(275,832)**	(1,030,576)
Exploration and evaluation expenditures	5	**(286,190)**	(2,160,956)
Flow-through share premium recovery		**21,400**	-
Gain / (Loss) on sale of 5% interest in Melba option	9(x)	**(8,361)**	-
Net loss and comprehensive loss		$ **(548,983)**	$ (3,191,532)

Loss per share		
Weighted average number of shares - basic and diluted	**50,316,293**	45,262,831
Net loss per share - basic and diluted	**$ (0.06)**	$ (0.07)

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

Advanced Gold Exploration Inc.

(formerly Advance United Holdings Inc.)

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

	Note	Number of shares	Shares to be issued	Amount	Warrants	Options	Deficit	Total
Balance at December 31, 2021		**43,981,406**	**$ -**	**$ 3,900,726**	**$ 105,953**	**$ 42,664**	**$ (732,978)**	**$ 3,316,365**
Common shares issued for Melba property option	9b(i)	500,000	-	32,500	-	-	-	32,500
Common shares issued for advisory fees	9(i)	50,000	-	3,500	-	-	-	3,500
Flow-through common shares issued	9b(ii)	1,500,000	-	150,000	-	-	-	150,000
Private placement, commons shares issued	9b(iii)	460,000	-	36,800	-	-	-	36,800
Share issue costs	9b(iii)	-	-	(3,505)	-	-	-	(3,505)
Issuance of warrants	9b(iii)	-	-	(16,857)	16,857	-	-	-
Flow-through common shares issued	9b(iii)	70,000	-	7,000	-	-	-	7,000
Flow-through commons shares issued	9b(iv)	1,000,000	-	100,000	-	-	-	100,000
Flow-through share price premium	9b(iv)	-	-	(51,400)	-	-	-	(51,400)
Issuance of warrants	9b(iv)	-	-	(20,995)	20,995	-	-	-
Expiry of warrants	9b(v)	-	-	-	(2,339)	-	2,339	-
Private placement, common shares issued	9b(vi)	1,687,500	-	135,000	-	-	-	135,000
Issuance of warrants	9b(vi)	-	-	(27,571)	27,571	-	-	-
Net loss and comprehensive loss fir the year		-	-	-	-	-	(3,191,532)	(3,191,532)
Balance at December 31, 2022		**49,248,906**	**-**	**$ 4,245,198**	**$ 169,037**	**$ 42,664**	**$ (3,922,171)**	**$ 534,728**
Common shares issued for property option	9b(vii)	500,000	-	15,000	-	-	-	15,000
Private placement commons shares issued	9b(viii)	2,700,000	-	135,000	-	-	-	135,000
Issuance of warrants	9b(viii)	-	-	(65,460)	65,460	-	-	-
Share issue costs	9b(viii)	-	-	(524)	-	-	-	(524)
Flow-through common shares issued	9b(viii)	350,000	-	26,250	-	-	-	26,250
Common shares issued for property option	9b(ix)	1,851,851	-	50,000	-	-	-	50,000
Common shares issued for property option	9b(x)	2,000,000	-	60,000	-	-	-	60,000
Shares to be issued	9b(i)	5,633,332	169,000	-	-	-	-	169,000
Issuance of warrants	9b(xi)	-	-	(139,584)	139,584	-	-	-
Flow-through share price premium	9b(xi)	-	-	(15,666)	-	-	-	(15,666)
Expiry of options	9b(xii)	-	-	-	-	(32,140)	32,140	-
Expiry of warrants	9b(xii)	-	-	-	(83,658)	-	83,658	-
Net loss and comprehensive loss fir the year		-	-	-	-	-	(548,983)	(548,983)
Balance at December 31, 2023		**62,284,089**	**$ 169,000**	**$ 4,310,214**	**$ 290,423**	**$ 10,524**	**$ (4,355,355)**	**$ 424,806**

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

Advanced Gold Exploration Inc.
(formerly Advance United Holdings Inc.)
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

	December 31, 2023	December 31, 2022
Operating activities		
Net loss	$ **(548,983)**	$ (3,191,532)
Changes in non-cash working capital activities		
Harmonized sales tax recoverable	**126,200**	(106,521)
Other receivable	**(19,560)**	(20,440)
Prepaid expenses and deposits	**1,311**	(6,538)
Accounts payable and accrued liabilities	**34,640**	347,993
Flow-through share price premium liability	**6,963**	-
Net changes in non-cash working capital balances	**149,554**	214,494
Net cash flows used in operating activities	**(399,429)**	(2,977,038)
Investing activities		
Melba property option	**25,000**	(68,000)
Sale of 5% of Melba property	**33,274**	-
Net cash flows used in investing activities	**58,274**	(68,000)
Financing activities		
Proceeds from private placements	**290,250**	171,800
Proceeds from Flow-through private placement	-	257,000
Share issuance costs	**(524)**	(3,505)
Net cash flows from financing activities	289,726	425,295
Net change in cash during the year	**(51,429)**	(2,619,743)
Cash, beginning of year	**191,633**	2,811,376
Cash, end of year	$ **140,204**	$ 191,633
Non-cash transactions:		
Mineral properties acquired	$ **125,000**	$ 36,000

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

1. NATURE OF BUSINESS AND GOING CONCERN

Advanced Gold Exploration Inc. (formerly Advance United Holdings Inc.) was incorporated under the laws of the Province of British Columbia on May 28, 2020. These consolidated financial statements include the accounts of it's wholly owned subsidiary, Talisker Gold Corp. (together, "the Company" or "Advanced Gold"). On May 28, 2021, the Company's common shares became listed for trading on the Canadian Securities Exchange ("CSE") under the trading symbol ("AUEX") and Frankfurt Stock Exchange ("9I0"). In July 2022, the Company listed in the United States Over the Counter (OTCQB:AUHIF). On March 8, 2022, the Company received a Certificate of Continuance, moving from the Province of British Columbia, to the Province of Ontario. The Company is currently engaged in acquisition, exploration and development of mineral properties. The address of the Company's head office is 372 Bay Street, Suite 301, Toronto, Ontario M5H 2W9.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profitable levels of operations. Changes in future conditions could require material write downs of the carrying values.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that the exploration programs will result in profitable operations. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non compliance with regulatory, environmental and social licensing requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

1. NATURE OF BUSINESS AND GOING CONCERN (Continued)

The Company has not realized a profit from operations and has incurred significant expenditures related to property exploration, resulting in a cumulative deficit of $4,355,354 as at December 31, 2023 (December 31, 2022 - $3,922,171). The recoverability of the carrying value of mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its property interests on an advantageous basis. Management cannot provide assurance that it will be successful in future financing activities or be able to execute its business strategy. As at December 31, 2023, the Company had current assets of $201,570 (December 31, 2022 - $360,950) to cover current liabilities of $502,230 (December 31, 2022 - $467,590), excluding the non-cash flow-through liability.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below have been applied consistently to all presented periods unless otherwise noted. The policies applied in these financial statements are based on IFRS issued and effective as of December 31, 2024.

(b) Approval of Financial Statements

The consolidated financial statements of the Company for the year ended December 31, 2023 and 2022 were approved and authorized by the Audit Committee and Board of Directors on April 26, 2024.

(c) Basis of consolidation

These consolidated financial statements of the Company include the results of its sole, wholly-owned subsidiary "Talisker Gold Corp." ("Talisker"). The financial transactions of the subsidiary are included in the consolidated financial statements from the date control is obtained. Intercompany balances, transactions, income, and expenses are eliminated. The accounting policies of the Company's subsidiary is the same as those of the Company.

(d) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis. These consolidated financial statements are presented in Canadian dollars which is functional currency of the Company and its subsidiary. All financial information is expressed in Canadian dollars unless otherwise stated and has been rounded to the nearest dollar.

2. BASIS OF PRESENTATION (Continued)

(e) Critical accounting estimates

The preparation of financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, equity or earnings. These estimates and assumptions notably relate to the following items:

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 substantive assumptions including the volatility of share prices, changes in substantive input assumptions can materially affect the fair value estimate.

Capitalization of mineral property costs

Management has determined that capitalized acquisition costs have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, operating management expertise and existing permits.

Impairment of mineral properties

While assessing whether any indications of impairment exist for mineral properties, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of mineral properties. Internal sources of information include the manner in which the mineral properties are being used or are expected to be used and indications of expected economic performance of the properties. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral properties.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned project-acquisitions, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

2. BASIS OF PRESENTATION (Continued)

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

3. SIGNIFICANT ACCOUNTING POLICIES

The following are a list of significant accounting policies used by the Company.

(a) Cash

The Company holds all its cash at major Canadian financial institutions and has no cash equivalents.

(b) Mineral properties

Where mineral properties are acquired through an acquisition agreement, management has determined that capitalized acquisition costs have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, operating management expertise and existing permits. Costs of investigation incurred before the Company has obtained the legal right to explore an area are recognized in the statement of loss.

Exploration and evaluation expenses are comprised of costs that are directly attributable to:

- researching and analyzing existing data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- evaluating the technical feasibility and commercial viability of extracting a mineral resource

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable reserves. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved, the capitalized mineral property interest for that project, and subsequent costs incurred for the development of that project, are capitalized as mineral properties, a component of property, plant and equipment.

All mineral property interests are monitored for indications of impairment at each financial position reporting date. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that acquisition costs are not expected to be recovered, it is charged to the results of operations.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(c) Asset acquisition

The Company determines whether a transaction or other event is a business combination by applying the definition in IFRS 3, which requires that the assets acquired, and liabilities assumed constitute a business. If the assets acquired are not a business, the reporting entity shall account for the transaction or other event as an asset acquisition.

By examining the elements of inputs, process and outputs, the Company determines the assets acquired as an asset acquisition. Goodwill is not recorded as a result of an asset acquisition. Share-based payments made for acquisition of assets are recognized at the fair value of assets acquired.

(d) Financial instruments

Financial assets
Recognition and initial measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics. Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from an impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of Paint Lake Joint Venture receivable and deposits.

- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. There are no financial assets held as FVTPL.

- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. The Company does not hold any financial assets measured at fair value through other comprehensive income.

- Designated at fair value through profit or loss (FVTPL) – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. Financial assets measured at FVTPL are comprised of cash.

Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generated sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business model assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed, and information is provided to management. Information considered in this assessment includes stated policies and objectives.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

Impairment of financial assets

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. The Company recognizes expected credit losses ("ECL") for trade receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime Decals at each reporting date from the date of the trade receivable.

Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Trade receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

For financial assets carried at amortized cost, the Company recognizes loss allowances for Decals on its financial assets measured at amortized cost. Decals are a probability-weighted estimate of credit losses. The Company applies a three-stage approach to measure Decals. The Company measures loss allowance at an amount equal to 12 months of expected losses for performing loans receivable if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1) and at an amount equal to lifetime expected losses on loans receivable that have experienced a significant increase in credit risk since origination (Stage 2) and at an amount equal to lifetime expected losses which are credit impaired (Stage 3).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company considers a significant increase in credit risk to have occurred if contractual payments are more than 30 days past due and considers the loans receivable to be in default if they are 90 days past due. A significant increase in credit risk or default may have also occurred if there are other qualitative factors (including forward looking information) to consider; such as borrower specific information (I.e. change in credit assessment).

Objective evidence of impairment of financial assets carried at amortized cost exists if the counterparty is experiencing significant financial difficulty, there is a breach of contract, concessions are granted to the counterparty that would not normally be granted, or it is probable the counterparty will enter into bankruptcy or a financial reorganization.

Financial liabilities
Recognition and initial measurement

The Company recognizes a financial liability when it becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss. Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Derecognition of financial liabilities

The Company ceremonies a financial liability only when its contractual obligations are discharged, cancelled or expire.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Hierarchy

Financial instruments recorded at fair value on the statements of financial position are classified using a financial value hierarchy that reflects the significance of the inputs used in marking the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Investments are classified as Level 1

Level 2 - valuation techniques based on inputs other than quoted prices including Level 1 that are observable for assets or liabilities, either directly (I.e. as prices) or indirectly (I.e. derived from prices); and

Level 3 - valuation techniques using inputs for the asset and liability that are not based on observable market data (unobservable inputs).

(e) Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss and comprehensive loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of loss and comprehensive loss.

(f) Share Capital

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, warrants, stock options and flow-through shares are classified as equity instruments. Preference share capital is classified as equity if it is non-retractable, or redeemable only at the Company'S option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to warrant reserve. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve account is recorded as an increase to share capital. For those warrants that expire unexercised, the recorded fair value is transferred from warrant reserve to deficit.

(h) Flow-Through Shares

Upon the issuance of flow-through shares, the Company records the initial proceeds to capital stock, net of tax liability, if any. The flow-through share premium liability on the statement of financial position represents the premium of the financing price in excess of the market share price on the date of the flow-through share financing. The financial liability pertaining to the premium is recognized in the statement of loss and comprehensive loss consistent with expenditure renunciations. As the Company incurs eligible Canadian Exploration Expenditures ("CEE") to meet flow-through requirements, a corresponding tax liability is recognized, reflecting the difference between the accounting and tax basis of the expenditures.

(i) Share-Based payments

The Company accounts for share-based payments using the fair value method. Under this method, compensation expense for employees is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in stock option reserve, a component of equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility. Upon the exercise of stock options, consideration paid by the option holder together with the amount previously recognized in the stock option reserve account is recorded as an increase to share capital. For those options that are cancelled or expire after vesting, the recorded fair value is transferred from stock option reserve to deficit.

Warrants, stock options, and other equity instruments issued as purchase consideration in non-cash transactions are recorded at fair value of the goods or services received or if the value of the goods or services received is not reliably measurable then the value of such goods and services are measured with reference to the fair value of the equity instruments issued. With respect to the acquisition of exploration and evaluation assets, the Company does not believe that the fair value of these assets is reliably measurable at the time of purchase. As such, when shares of the Company are issued as consideration for the purchase of exploration and evaluation assets, the fair value of the asset is based upon the price of the Company's shares on the date of the agreement to issue shares as determined by the Board of Directors. In the event that options or warrants are issued where the fair value of goods or services are not reliably measurable, they are valued using the Black-Scholes pricing model.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Loss per share

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. The dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants and similar instruments and the conversion of outstanding convertible debt. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of option, warrants and convertible debt that would be anti dilutive.

(k) Income taxes

Income tax expense is comprised of current and deferred tax expense. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purpose. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity. Income taxes are calculated using the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for tax losses and other deductions carried forward. Deferred income tax assets and liabilities are calculated using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. An asset is recognized on the statement of financial position only when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in operations in the period in which the change is substantively enacted.

4. CASH

The cash balance at December 31, 2023 consists of cash on deposit with a major Canadian bank in a general interest-bearing account $131,929 and $8,275 held in our Trust account held with the Company's lawyer, totaling $140,204, (December 31, 2022 - $191,633).

5. OTHER RECEIVABLES

Other receivable consist of two December financing subscriptions, fully paid subsequent to year end December 31, 2023.

		December 31, 2023	December 31, 2022
Other receivables	$	40,000	20,440
	$	**40,000**	20,440

6. MINERAL PROPERTIES

Batchawana Properties

On April 15, 2018, the Company's subsidiary Talisker Gold Corp. entered into a Property Acquisition Agreement ("Batchawana Agreement") with JD Exploration Inc., a company owned by Advance United's President and CEO, to acquire a 100% interest in two mineral properties. Batchawana properties consists of the Doyle property and Buck Lake property. The Batchawana Properties are subject to a 2% Net Smelter Royalty ("NSR"), of which 1% can be bought back at any time for $1,000,000.

Doyle Property

The Company's principal property, the Doyle Property, is located approximately 92 kilometres southeast of Wawa and 86 km north of Sault Ste. Marie, Ontario. The nearest settlement is the town of Wawa, current approximate population of 3,000 inhabitants which is located at the junction of Provincial Highway 101 and the Trans-Canada Highway 17. The Doyle Property lies within National Topographic System map sheet 41O/08 in Runnalls Township in the Algoma District of Central Ontario. The Doyle Property (gold/zinc) originally comprised of 52 mining claims was expanded between July 2019 and August 2021 to 109 cell mining claims covering 3,265 hectares. The Property is located in Runnalls Township.

Buck Lake Property

The Buck Lake Property lies in Lunkie Township in the Algoma District of Central Ontario approximately 50 kilometers northeast of Sault Ste. Marie and approximately 30 km NE of the village of Searchmont.

The property consists of 139 claims making 3900 hectares (9600 acres). The property covers a known critical metal (copper + zinc) deposit and has been extended to cover at least eight additional similar occurrences. There are also over 20 known EM Anomalies on the property.

A filed assessment report on the 2022 diamond drilling will extend the property for at least five years.

In the past work has been completed in the area to find "Volcanic Massive Sulphide ("VMS") type of deposits.

HBOG Mining completed some exploration to the north and northwest of the present property in 1976 and discovered several significant anomalies. Some of these were drilled and/or trenched with reports of copper and zinc being made.

The only work reported on the present property was completed by Noranda in 1985 and 1986. The company completed ground magnetic and HLEM surveys and identified a strong Electromagnetic anomaly (EM) with locally corresponding magnetic signature over a length of approximately 3,500 metres. One diamond drill hole is reported in the government Assessment Files which encountered sulphide in breccia and massive sulphide with chalcopyrite and traces of sphalerite. No assays are reported.

6. MINERAL PROPERTIES (Continued)

Batchawana Properties (Continued)

To fully recognize the potential of the property it has been divided into two areas:

- Buck Lake Original Claims (BLOC) contain:
  - 3500 m long EM Anomaly identified by past work on the Original Claims detailed by recently completed VLF EM
  - Three other known mineralized areas with copper and/or zinc
  - Known massive sulphide mineralization with copper and zinc on surface in stripped areas on EM anomaly on BLOC
  - Channel sampling in 2022 returned copper assays up to 1.78% and 4% zinc
  - Recently completed 2540 meters of drilling returned up to 14 meters of massive and semi massive sulphide mineralization in core
  - Intersections of copper and zinc in 13 drill holes including 4.5 % Copper over 3.6 meters with 1.12 g/t gold and 58 g/t silver for a Approximately 6% Copper Equivalent (using March 2023 prices)
  - To date have identified 500-meter long massive sulphide zone open to north and south and down dip
- Buck Lake Northern Extension (BLNE) area contains:
  - Prospective volcanic contacts (i.e. felsic/mafic stratigraphy) with exhalite and known sulfide mineralization.
  - Four known mineralized zones defined by drilling and trenching containing reported chalcopyrite and sphalerite
  - High metal values up to 17% Zn in trenching
  - Multiple untested airborne and ground EM and Magnetic anomalies throughout
  - Extensive records in Government Assessment Files to form basis for compilation.

Open ground surrounding the property gives potential to expand the property to cover other known occurrences.

In 2017 the property vendor completed a soil sampling program over the suspected location of the EM anomaly on the BLOC area and detected a strong copper and zinc anomaly in the northern par. Concomitant geological mapping identified the location of the EM anomaly and the soil anomaly to be at or near the contact between mafic and felsic volcanic units. A classic location for volcanic massive sulphide (VMS) deposits.

During the fourth quarter of 2021, a work program was initiated and 53 claims were acquired expanding the property to over 4,100 acres (1,660 ha). (See news-releases dated September 22, 2021 and October 21, 2021 on SEDAR.com).

During the second quarter of 2022 a field program including prospecting, ground VLF and geological mapping was undertaken. The results of assays taken during this program identified copper and zinc mineralization as well as chlorite alteration in the area of the EM and Noranda Drill Hole. Areas of interest were further explored with stripping, channel sampling and drilling in the third quarter of 2022.

Results of the drilling were reported in a Press Release Dated April 12, 2023.

6. MINERAL PROPERTIES (Continued)

Melba property

On July 26, 2022, the Company announced it had signed two option agreements to acquire the Melba property. The first option agreement, to acquire 75% of 68 cell mining claims (100% owned) and 6 Leased cell mining claims and a second option agreement that is comprised of 11 cell mining claims (100% owned). The second option agreement of 11 cell mining claims are subject to a 2% NSR. The option agreement terms for the first option an aggregate $258,000 and 1,500,000 shares of capital of the Company. $58,000 in cash (paid $8,000 June 21, 2022 and $50,000 July 11, 2022) and 500,000 common shares (issued and valued at the June 21, 2022 market price) on signing, The 1st anniversary payment of $100,000 and 500,000 common shares were extended and then amended on December 22, 2023. The Company issued 500,000 shares to extend the terms from June 21, 2023 to December 22, 2023, at which time amendment was signed exchanging the $100,000 payment to 1,500,000 common shares and a cash payment of $25,000 (paid December 22, 2023). A 2nd anniversary payment of $100,000 and 500,000 shares of the Company is due June 21, 2024. The 500,000 and 1,500,000 shares were issued at the market price on the date of share issuance of $.03 ($60,000). The option agreement for the second option (11 mining claims) consists of an aggregate payment of $50,000 in cash and $40,000 worth of commons shares based on the anniversary market closing price; $10,000 on signing (paid July 11, 2022) and further $10,000 payments on the 1st, 2nd, 3rd and 4th anniversaries. The Company is to be required to issue $10,000 worth of shares on the 1st, 2nd, 3rd and 4th anniversaries and $30,000 in expenditures on the property over the term of the option agreement.

The adjacent claims covering approximately 1950 hectacres are located in the Melba township of the Abitibi Greenstone Belt north of Kirkland Lake Ontario. Gold was first discovered on the property in 1934 and the Melba Mine began development in 1936 but was shut down shortly thereafter with the declaration of World War II. On June 1st, 2020, the claim lease patents were published for public staking as no work or lease payments were current and included the mine workings which are in good standing until 2036.

To date four gold-bearing quartz-calcite veins have been identified and trenched on the property. These include the Rolling Vein, Mike Vein, Blue Vein, and the Contact Vein.

The Ministry of Northern Development and Mines report (ARIS No.42A08SE2005 Gleeson-Ross Mine) indicates that the Melba mine site is similar to the geological signature of the Ross Mine, which is located along the same structure to the NW on strike, in Holtyre, and the Ross Mine ore reserves were estimated at 628,155 tons averaging 5.88 g/ton (1934) and 518,000 tons averaging 4.64 g/ton (1975) according to Minedat.

Paint Lake Road Joint Venture (PLR JV)

On April 30, 2020, Talisker and Frontline Gold entered into a joint venture agreement (the "Paint Lake Road Joint Venture Agreement",or "PLR JV"), with each party having a 50% interest and Talisker acting as the operator of the joint venture.

The Paint Lake Road Joint Venture is in the Wawa area west and south of the open pit operation of Wesdome Mines. The project covers 6 claim blocks totaling 3,610 ha. The claims are contained within the Mishibishu Greenstone Belt which hosts the Eagle River Gold Mine and Mishi Open Pit belonging to Wesdome Mines. This area also hosts the former Magnacon Mine (Wesdome) and the Dorset Zone belonging to Angus Gold, Inc. which contains a non-compliant resources of 100,000 oz. Au.

(Expressed in Canadian dollars)

6. MINERAL PROPERTIES (Continued)

Paint Lake Road Joint Venture (PLR JV) (Continued)

The 2022 Summer Work program outlined a series of VLF EM anomalies that may indicate shear zones on the property. The survey shows many structures of interest and identifies at least six northeasterly trending EM anomalies which may be related to shear zones cutting intrusive rocks in the nearby Eagle Mine gold mineralization comprising of quartz veins in shear zones cutting intrusive diorites. Most anomalies are sub-parallel to and offsets of the regional Pukaskwa-Iron Lake (PIL) Shear Zone which hosts gold mineralization locally at Abbie Lake to the north and David Lake to the south and regionally at Island Gold Mine of Alamos to the northeast. The area has recently been consolidated by other exploration companies and the property is surrounded by ground held by Angus Gold and Bold Ventures and the property is in a relatively unexplored area near the Wesdome's Mishi Open Pit Mine

In 2023 Bold Ventures, who have the property adjacent to PLR JV to the north and west, released the results of an airborne survey which suggested a prospective mineralized structure could extend onto the PLR JV property. This will be explored by a field program in 2024.

Exploration and Evaluation Expenditures

	Buck Lake $	Doyle $	Melba $	Paint Lake JV $	Other $	Total $
Option agreement and staking	-	-	-	-	50,000	50,000
Fees	2,200	-	2,100	-	-	4,300
Drilling	-	-	29,428	-	-	29,428
Core logging	11,456	-	4,000	-	-	15,456
Fieldwork	42,200	27,000	24,000	800	-	94,000
Assay	301	-	30,544	-	-	30,845
VLF-LiDAR	-	4,000	-	-	-	4,000
Land Management	3,801	-	184	433	4,187	8,605
Other	400	-	8,364	-	40,792	49,556
December 31, 2023	60,358	31,000	98,620	1,233	94,979	286,190
December 31, 2022	1,206,312	172,881	734,081	20,632	27,050	2,160,956
Cumulative totals	$ 1,266,670	$ 203,881	$ 832,701	$ 21,865	$ 122,029	$ 2,447,146

(Expressed in Canadian dollars)

6. MINERAL PROPERTIES (Continued)

December 31, 2021	Buck Lake $	Doyle $	Melba $	Paint Lake JV $	Other $	Total $
Option agreement and staking	-	2,844	11,500	5,100	-	19,444
Drilling	554,829	-	417,698	-	-	972,527
Fieldwork	499,273	104,555	222,132	5,321	5,306	836,587
Assay	67,006	1,347	67,136	-	-	135,489
VLF-LiDAR	60,266	41,847	2,508	8,550	-	113,171
Land Management	9,599	814	-	1,661	-	12,074
Other	15,339	21,474	13,107	-	21,744	71,664
December 31, 2022	1,206,312	172,881	734,081	20,632	27,050	2,160,956
December 31, 2022	1,206,312	172,881	734,081	20,632	27,050	2,160,956
December 31, 2022	$ 1,206,312	$ 172,881	$ 734,081	$ 20,632	$ 27,050	$ 2,160,956

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	December 31, 2023	December 31, 2022
Accounts payable	$ 469,630	$ 414,590
Accrued liabilities	32,600	53,000
	$ 502,230	$ 467,590

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key Management Compensation

In accordance with IAS 24, key management personnel are those persons having authority and responsibility or planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Current key management of Advance United includes the President and Chief Executive Officer, Director of Communications and Chief Financial Officer.

On January 13, 2021, the Company granted 1,250,000 stock options with the fair value of $42,664 to the Company's three directors, one of whom is also an officer of which 1,000,000 expired unexercised April 17, 2023.

	December 31, 2023	December 31, 2022
Management fees charged by officers and directors	$ 7,500	$ 121,333
Management fees included in exploration and evaluation	$ 68,225	$ 50,000
Rent paid to a Company with a common director	$ 6,000	$ 12,000
Consulting fees charged by officers and directors	$ -	$ 190,000
Fees paid to a Company with a former Director as a partner	$ -	$ 32,200

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Related Party Transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

As at December 31, 2023 - $60,602 (December 31, 2022 - $32,000) was included in accounts accounts payable and accrued liabilities owed to management and directors of the Company. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

9. SHARE CAPITAL

(a) Authorized

As at December 31, 2023, the Company's authorized number of common shares was unlimited and without par value.

(b) Issued and outstanding

		December 31, 2023		December 31, 2022
	Note	Shares		Amount
Balance at December 31, 2021		**43,981,406**	**$**	**3,900,726**
Common Shares issued to acquire Melba property	(i)	500,000		32,500
Common shares issued for advisory fees	(i)	50,000		3,500
Flow-through, common shares issued	(ii)	1,500,000		150,000
Private placement, commons shares	(iii)	460,000		36,800
Share issue costs	(iii)	-		(3,505)
Issuance of warrants	(iii)	-		(16,857)
Flow-through, common shares issued	(iii)	70,000		7,000
Flow-through, common shares issued	(iv)	1,000,000		100,000
Flow-through, share price premium	(iv)	-		(51,400)
Issuance of warrants	(iv)	-		(20,995)
Private placement, common shares	(vi)	1,687,500		135,000
Issuance of warrants	(vi)	-		(27,571)
Balance at December 31, 2022		**49,248,906**	**$**	**4,245,198**
Common shares issued for property option	(vii)	500,000		15,000
Private placement, common shares issued	(viii)	2,700,000		135,000
Issuance od warrants	(viii)	-		(65,460)
Share issuance costs	(viii)	-		(524)
Flow-through common shares issued	(ix)	350,000		26,250
Common shares issued for property option	(x)	1,851,851		50,000
Common shares issued for property option	(xi)	2,000,000		60,000
Flow-through common shares to be issued	(xii)	5,633,332		-
Issuance of warrants	(xii)	-		(139,584)
Flow-through share price premium	(xii)	-		(45,666)
Flow-through share price premium adjustment	(xiii)	-		30,000
		62,284,089	**$**	**4,310,214**

9. SHARE CAPITAL (Continued)

(i) On July 26, 2022 the Company acquired two adjacent gold properties ("Melba Properties") in the Township of Melba located in Abitibi Greenstone Belt near Kirkland Lake, Ontario by issuing 500,000 common shares at the June 21, 2021 market price of $0.135 per share. Additional 50,000 shares were issued as advisory fees on the acquisition.

(ii) On September 13, 2022, the Company closed a $0.10 the first tranche of a private placement offering, with the issuance of 1,500,000 shares issued to a Director of the Company, for gross proceeds of $150,000. No finders fees were paid in connection with the financing. A share price premium of $30,000 has been recorded on the transaction. (see note 8(xii).

(iii) On October 27, 2022, the Company closed a Private Placement announced September 14, 2022 through the issuance of 460,000 common share units and 70,000 common shares on a flwo-through basis. Each Unit is comprised of one Common Share and one-half (1/2) share purchase warrant. Each whole warrant (Warrant) entitles the holder to acquire a Common Share at a price if $0.15 per Common Share for a period of twenty-four (24) months from the date of issue. Finders fees of $3,505 was paid in cash and 42,400 broker warrants were issued. The issue date fair value of the warrants was estimated to be $16,857 ($13,939 for warrants and $2,918 for broker warrants) based on their Black-Scholes value, using assumptions in Note 8(c). A share price premium has been recorded of $1,400 has been recorded in the issuance of the flow-though shares.

(iv) On November 10, 2022, the Company closed a third tranche of the Private Placement announced September 14, and October 25, 2022, issuing 1,000,000 Flow-through common share units. Each Unit is comprised of one Flow-through common share and one-half (1/2) common share purchase warrant. Each whole warrant (Warrant) entitles the holder to acquire a common share at a price if $0.15 per Common Share for a period of twenty-four (24) months from the date of issue. The issue date fair value of the warrants was estimated to be $20,995 based on their Black-Scholes value, using assumptions in Note 8(c). No finders fees were paid in connection with the financing. A flow-through share price premium of $21,400 has been recorded.

(v) On November 27, 2022, 175,000 warrants with a Black-Scholes valuation of $2,339 expired.

(vi) On November 28, 2022, the Company announced the closed the final tranche of the Private Placement announced September 14, 2022 and October 25, 2022 issuing 1,687,500 common share units. Each Unit is comprised of one Common Share and one (1) share purchase warrant entitles the holder to acquire a Common Share at a price if $0.15 per Common Share for a period of twenty-four (24) months from the date of issue. The issue date fair value of the warrants was estimated to be $27,571 based on their Black-Scholes value, using assumptions in Note 8(c). No finders fees were paid in connection with the financing.

(vii) On June 20, 2023, the Company announced an amendment to the Melba property agreement previously announced July 26, 2022. The amending agreement extends the due date of the option payment to December 21, 2023. In consideration for entering into the amending agreement, the Company issued 500,000 common share in the capital of the Company.

9. SHARE CAPITAL (Continued)

(viii) On September 26, 2023, the Company announced the closing of a Private Placement announced June 6, 2023 issuing 2,700,000 common share units ("HDU") at a price of $0.05 per HDU for total proceeds of $135,000, and 350,000 flow-through common share units ("FTU") at a price of $0.075 per FTU for total proceeds of $26,250. Each HDU is comprised of one Common Share and one (1) share purchase warrant which entitles the holder to acquire a Common Share at a price of $0.10 per Common Share for a period of thirty-six (36) months from the date of issue. Each FTU is comprised of one (1) common shares issued a on a flow-through basis and one-half (1/2) share purchase warrant on a non flow-through basis for a period of thirty-six (36) months from the date of issue. The closing date fair value of the warrants is estimated to be $64,460 based on their Black-Scholes value using assumptions in Note 8(c). No finders fees were paid in connection with the financing and costs of $524 were incurred.

(ix) On October 3, 2023, the Company announced an option to acquire a 100% interest in the Landrum gold property, located in South Carolina, USA. Under the terms of the agreement, the Company is required to make the following cash payments, issuance of shares and work commitments as follow:

Cash payments

- $50,000 on the Effective date (paid)
- $60,000 on or before the first anniversary (September 2024)
- $70,000 on or before the second anniversary (September 2025)
- $80,000 on or before the third anniversary (September 2026)

Shares

- $50,000 worth of shares on the effective date (1,851,851 issued)
- $100,000 worth of shares on or before the first anniversary (September 2024)
- $150,000 worth of shares on or before the second anniversary (September 2025)
- $200,000 worth of shares on or before the third anniversary (September 2026)

Shares will be valued two business days prior to the Effective date, using a 20 day volume weighted sale price ("VWAP")

Property expenditures

- $100,000 on or before the first anniversary (September 2024)
- $400,000 on or before the second anniversary (cumulative $500,000) (September 2025)
- $500,000 on or before the third anniversary (cumulative $1,000,000) (September 2026)

(x) On December 22, 2023, the Company exercised its option on the Melba property by issuing 2,000,000 common shares and paying $25,000 in cash. In addition, the company received $25,000 on the sale of a 5% interest in their portion of the Melba property to an individual investor. The sale has not closed as of the date of Financial Statements.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (Continued)

(xi) On April 5, 2024 the Company the closed the November 27, and December 4, 2023 non-brokered financings issuing 5,633,332 flow-through units ("FTU") at $0.03 per unit. Each FTU consists of one (1) common share issued ("FTS") on a flow-through basis and one (1) non-flow-through share purchase warrant ("FTW") exercisable at $0.05 for a period of up to 60 months. A flow-through premium of $45,667 was calculated as the flow-through shares were issued at a price higher than the market price.

(xii) On December 31, 2023 the Company reversed a previously reported $30,000 flow-through premium as previously issued unrenoouced flow-shares were converted into a hard dollar financing.

(xiii) Subsequent to year end, on March 27, 2024, the Company debt settled $16,650 of indebtedness through the issuance of 602,410 common shares.

(c) Warrants

The following table shows the continuity of warrants for the years presented

	Number of Warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Outstanding, beginning of year	**3,131,901**	$	0.17	847,001	$	0.27
Expired	-	$	-	(175,000)	$	0.30
Issued	-	$	-	230,000	$	0.15
Exercised	-	$	-	42,400	$	0.08
Expired	(172,001)	$	0.75	-	$	-
Issued	2,875,000	$	0.10	500,000	$	0.15
Issued	5,633,332	$	0.05	1,687,500	$	0.15
Outstanding, end of year	**11,468,232**	$	0.09	3,131,901	$	0.17

The following table reflects the warrants outstanding as at December 31, 2023:

Date issued	**Number of warrants**		**Fair value of warrants**		**Exercise price**	**Expiry date**
January 13, 2021	500,000	$	19,956	$	0.10	August 21, 2024
October 25, 2022	230,000		13,939	$	0.15	October 25, 2024
October 25, 2022 (broker warrants) (1)	42,400		2,918	$	0.08	October 25, 2024
October 28, 2022	500,000		20,995	$	0.15	October 25, 2024
November 28, 2022	1,687,500		27,571	$	0.15	November 28, 2024
September 26, 2023	2,875,000		65,460	$	0.10	September 26, 2026
December 28, 2023	5,633,332		139,584	$	0.05	December 28, 2028
Total	**11,468,232**	**$**	**85,379**			

(1) Broker warrants issued are Unit purchase warrants consisting of one common share and one-half (1/2) warrant.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (Continued)

The Company follows the fair value method of accounting for warrants using the Black-Scholes option pricing model. The fair values of warrants issued were calculated based on the following assumptions:

	Jan 13, 2021	Oct 25, 2022	Oct 25, 2022	Oct 25, 2022	Nov 28, 2022	Sept 26, 2023	Dec 28, 2023
Risk free interest rate	0.36 %	4.15 %	4.15 %	4.15 %	3.91 %	4.68 %	3.20 %
Expected volatility	153 %	153 %	153 %	153 %	153 %	227 %	242 %
Expected life (in years)	3.6	2.0	2.0	2.0	2.0	3.0	5.0
Expected dividend rate	-	-	-	-	-	-	-
Exercise price	$ 0.10	$ 0.15	$ 0.08	$ 0.10	$ 0.15	$ 0.10	$ 0.05

(d) Options reserve

The Company has adopted a stock option plan (the "Plan"), which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with exchange requirements, where applicable, grant to directors, officers, employees and consultants of the Company options to purchase the Company's shares, provided that the number of the Company's shares reserved for issuance may not exceed 10% of the issued and outstanding common shares at any time. Such options be exercisable for a period of up to 5 years from the date of grant. Except in specified circumstances, options are not assignable and will terminate if the optionee ceases to be employed by or associated with the Company. The terms of the Plan further provide that the price at which shares may be issued cannot be less than the market price (net of permissible discounts) of the shares when the relevant options were granted.

The following table shows the continuity of stock options for the periods presented:

	Number of Stock Options	Weighted average exercise price
December 31, 2022	1,250,000	$ 0.10
Expired April 17, 2023	(1,000,000)	$ -
	250,000	**$ 0.10**

As at December 31, 2023, the following options were outstanding and vested:

Grant date	Exercise price	Number of options outstanding	Number of options exerciseable	Black-Scholes fair value	Weighted average remaining contractual life (years)	Expiry date
January 13, 2021	$ 0.10	250,000	250,000	$ 10,524	1	December 23, 2024
	$ 0.10	**250,000**	**250,000**	**$ 10,524**	**1**	-

On January 13, 2021 stock options to purchase up to 1,250,000 common shares of the Company were issued to certain Officers and Directors of the Company with an exercise price of $0.10 per share. 1,000,000 options expired on April 17, 2023 and 250,000 options expire December 23, 2024. The options issued replaced Talisker options held on a 1 for 2 basis.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (Continued)

The fair value of each option is estimated on the date of grant using the Black-Scholes option pricing model. For the year ended December 31, 2023, the Company recognized share-based compensation expense of $Nil.

In calculating the fair value of the options, the following underlying assumptions were used in the Black-Scholes calculation:

Date of option issuance	Jan 13, 2021
Strike price	$ 0.10
Risk free interest rate	0.36 %
Expected volatility	100 %
Expected dividend rate	-
Expected life (In years)	4.00

The capital of the Company consists of the items in the shareholders' equity. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. 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 the capital structure, the Company may issue new debts or equity or similar instruments to obtain additional financing.

The Company's over all strategy with respect to capital risk management remained unchanged during the year. The Company is not subject to any externally imposed capital requirements as at December 31, 2023.

10. FINANCIAL INSTRUMENTS

The carrying amounts of cash, and accounts payables and accrued liabilities, approximate their fair values due to the short-term maturities of these instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists. The Company follows a three-tier categorization for its financial instruments. The hierarchy is summarized as:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities, only cash falls under the level 1;
Level 2 – inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has no financial instruments under Level 2 and 3.

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (Continued)

The Company's financial assets and liabilities as at December 31, 2023 were as follows:

December 31, 2023	Amortized cost	FVTPL	Total
	$	$	$
Financial assets			
Cash	-	**140,204**	140,204
Financial liabilities			
Accounts payable and accrued liabilities	**547,897**	-	547,897

December 31, 2022	Amortized cost	FVTPL	Total
	$	$	$
Financial assets			
Cash	-	191,633	191,633
Financial liabilities			
Accounts payable and accrued liabilities	488,990	-	488,990

The Company's risk exposure and risk management policies and procedures have not changed.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. As at December 31, 2023, the Company is not exposed to significant market risk.

Credit risk

Credit risk is the risk of loss due to a counterparty's inability to meet it's obligations. The Company has exposure to credit risk through its cash and cash equivalents and amounts receivable. The Company's maximum exposure to credit risk at the end of any year is equal to the carrying amount of these financial assets as recorded in the consolidated statement of financial position. At December 31, 2023, no amounts were held as collateral. The Company manages credit risk, in respect of cash and short-term investments, by maintaining the majority of cash at highly rated financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. As at December 31, 2023, the Company had current liabilities of $547,897 and current assets of $201,570 and a workings capital deficit of $346,327 (December 31, 2022 - $128,040). Management believes that it has the ability to raise sufficient cash to meet all of its obligations that are coming due in the next twelve months and to fund the operating losses that may occur in the upcoming years.

The fair values of these financial instruments approximate their carrying values because of their short term nature and/or the existence of market related interest rates on the instruments.

(Expressed in Canadian dollars)

11. SEGMENTED INFORMATION

The Company currently has one business segment and operates in the mineral exploration business in Canada, and recently acquired a property option on South Carolina, USA..

12. LOSS PER SHARE

Net loss per share has been calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year. The effect of stock options and warrants was anti dilutive and hence, the diluted loss per share equals the basic loss per share.

13. INCOME TAXES

The following table reconciles the expected income tax recovery at the Canadian Federal and Provincial statutory tax rate of 26.5% (2022 - 26.5%) were as follows:

		December 31, 2023		December 31, 2022
Loss before income taxes	$	(548,983)	$	(3,191,532)
Expected income tax recovery based on statutory rate		145,480		845,756
Permanent differences		-		598,112
Income tax recovery	$	-	$	-

The significant components of the Company's deferred tax assets, resulting from temporary differences, unused tax credits and unused tax losses, that have not been included on the consolidated statements of financial position, are as follows:

		December 31, 2023	December 31, 2022
Non-capital loss carried forward		-	452,045
Temporary differences		-	-
		-	452,045
Less: valuation allowance		-	(452,045)
	$	-	

The Company has non-capital losses in Canada, which under certain circumstances can be used to reduce the taxable income of future years. The non-capital losses expire as follows:

Tax loss carryover	Amount
2041	771,325
2042	934,507
2043	-
	1,705,832

14. COMMITMENTS

In connection with the flow-through financings, the Company indemnifies the subscribers against certain tax related amounts that may become payable by the subscribers should the Company not meet its flow-through expenditure commitments.

In connection with the flow-through financing's, the Company indemnifies the subscribers against certain tax related amounts that may become payable by the subscribers should the Company not meet its flwo-through expenditure commitments.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirement, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory, environmental and social requirements.

The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the achievement of profitable operations, or the ability of the Company to raise additional financing, as necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

15. SUBSEQUENT EVENTS

On January 25, 2024, the Company closed the first tranche of it's non-brokered private placement through issuance of 1,250,000 units at price of $0.05 per unit for aggregate gross proceeds of $62,500.

On March 27, 2024, debt settled $16,650 of indebtedness through the issuance of 602,410 common shares.

On April 5, 2024, the Company closed the November 27, and December 4, 2023 flow-through financing through issuance of 5,633,332 flwo-through units at a price of $0.03 for aggregate gross proceeds of $169,000.