STRATEGX ELEMENTS CORP.

FINANCIAL STATEMENTS

For the Years Ended

December 31, 2023 and 2022

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Independent Auditor's Report

To the Shareholders of StrategX Elements Corp.

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 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 IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
April 29, 2024

STRATEGX ELEMENTS CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT December 31,

	Notes	2023	2022
ASSETS			
Current			
Cash		$ 5,766	$ 539,021
Receivables		106,139	126,082
Prepaid expenses		13,962	70,473
Total current assets		125,867	735,576
Due from related party	11	131,862	134,789
Equipment	5	14,602	26,284
Right-of-use asset	9	62,530	-
Long-term deposits	4	46,100	79,032
Exploration advance		3,390	-
Exploration and evaluation assets	6	2,197,472	3,623,771
Total assets		$ 2,581,823	$ 4,599,452
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		$ 770,072	$ 1,768,355
Due to related parties	11	211,660	56,421
Lease liability – short-term	9	31,747	-
Loans	7	40,000	40,000
Deferred government grant	6	100,000	102,000
Total current liabilities		1,153,479	1,966,776
Lease liability – long-term	9	30,726	-
Accounts payable – long-term	8	883,932	-
Flow-through share premium liability	14	22,000	64,161
Total liabilities		2,090,137	2,030,937
Shareholders' equity			
Share capital	10	4,907,738	4,719,738
Subscription received in advance	18	10,000	-
Contributed surplus	10	477,716	434,917
Warrant reserve	10	121,180	121,180
Accumulated deficit		(5,024,948)	(2,707,320)
Total shareholders' equity		491,686	2,568,515
Total liabilities and shareholders' equity		$ 2,581,823	$ 4,599,452

Nature of operations (Note 1)
Going concern (Note 2)

On behalf of the Board:

"Darren Bahrey" Director *"Ryan McEachern"* Director

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

STRATEGX ELEMENTS CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED December 31,

	Notes		2023		2022
EXPENSES					
Accretion and interest	9	$	45,669	$	-
Accounting and auditing			43,046		28,121
Amortization – right-of-use assets	9		5,685		-
Consulting			-		53,361
Corporate and shareholder communication			194,129		268,198
Filing and transfer agent			18,819		17,271
Foreign exchange (gain) loss			3,049		(8,331)
Impairment of exploration and evaluation assets	6		1,781,870		-
Insurance			25,689		20,454
Legal			7,607		20,871
Management fee	11		144,500		141,000
Non-capitalized exploration expenses			-		803,901
Office and miscellaneous			22,655		46,475
Rent			34,626		39,255
Project investigation			-		30,646
Salary and benefits			51,743		51,598
Share-based compensation	10,11		42,799		434,917
Travel			15,190		28,282
Loss before other items			(2,437,076)		(1,976,019)
Other items					
Discount on fair value of long-term accounts payable	8		305,487		-
Flow-through tax interest and penalty	14		(196,200)		-
Flow-through recovery	14		10,161		21,987
Loss and comprehensive loss for the year		$	(2,317,628)	$	(1,954,032)
Basic and diluted loss per common share		$	(0.07)	$	(0.07)
Weighted average number of common shares outstanding - Basic and diluted			32,920,295		26,861,889

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

STRATEGX ELEMENTS CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
FOR THE YEARS ENDED December 31,

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (2,317,628)	$ (1,954,032)
Items not involving cash:		
Accretion and interest	873	-
Amortization – right-of-use assets	5,685	-
Foreign exchange (gain) loss	3,049	(8,331)
Share-based compensation	42,799	434,917
Discount on fair value of long-term accounts payable	(305,487)	-
Flow-through recovery	(10,161)	(21,987)
Impairment of exploration and evaluation assets	1,781,870	-
Changes in non-cash working capital items:		
Receivables	26,014	(112,515)
Accounts payable and accrued liabilities	194,538	748,347
Prepaid expenses	11,511	4,181
Due to related parties	70,301	15,159
Deferred government grant	100,000	102,000
Net cash used in operating activities	(396,636)	(792,261)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	170,000	2,208,565
Share issuance costs	(29,951)	(54,620)
Subscription received in advance	10,000	-
Repayment of lease liability	(6,615)	-
Net cash provided by financing activities	143,434	2,153,945
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	-	(35,045)
Exploration advance	(3,390)	-
Long-term deposits refunded (paid)	26,861	(11,500)
Government grants	-	7,805
Exploration and evaluation expenditures	(303,402)	(1,614,896)
Net cash used in investing activities	(279,931)	(1,653,636)
Change in cash during the year	(533,133)	(291,952)
Effect of foreign exchange on cash	(122)	(65)
Cash, beginning of year	539,021	831,038
Cash, end of year	$ 5,766	$ 539,021

Supplemental disclosures with respect to cash flows (Note 15)

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

STRATEGX ELEMENTS CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share Capital						
	Number	Amount	Subscription received in advance	Warrant reserve	Contributed surplus	Accumulated deficit	Total
Balance, December 31, 2021	24,853,263	$ 2,700,053	$ -	$ 120,519	$ -	$ (753,288)	$ 2,067,284
Private placement	7,799,416	2,207,904	-	661	-	-	2,208,565
Share issuance costs	-	(102,072)	-	-	-	-	(102,072)
Flow-through share premium	-	(86,147)	-	-	-	-	(86,147)
Share-based compensation	-	-	-	-	434,917	-	434,917
Net loss for the year	-	-	-	-	-	(1,954,032)	(1,954,032)
Balance, December 31, 2022	32,652,679	4,719,738	-	121,180	434,917	(2,707,320)	2,568,515
Private placement	740,000	170,000	-	-	-	-	170,000
Share issuance costs	-	(14,000)	-	-	-	-	(14,000)
Flow-through share premium	-	(22,000)	-	-	-	-	(22,000)
Flow-through share premium reversal	-	54,000	-	-	-	-	54,000
Subscription received in advance	-	-	10,000	-	-	-	10,000
Share-based compensation	-	-	-	-	42,799	-	42,799
Net loss for the year	-	-	-	-	-	(2,317,628)	(2,317,628)
Balance, December 31, 2023	33,392,679	$ 4,907,738	$ 10,000	$ 121,180	$ 477,716	$ (5,024,948)	$ 491,686

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

1. NATURE OF OPERATIONS

StrategX Elements Corp. ("StrategX" or the "Company") was incorporated on June 28, 2018 under the laws of British Columbia, Canada. On January 10, 2022, the Company's common shares commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "STGX".

The Company's principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company's efforts are devoted to financing and developing these property interests. There has been no determination whether the Company's interests in unproven exploration and evaluation assets contain economically recoverable mineral resources.

The Company's head office is located at 514 – 55 Water Street, Vancouver, British Columbia, Canada.

2. BASIS OF PRESENTATION

Statement of compliance

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

These financial statements were approved and authorized for issue by the Board of Directors on April 29, 2024.

Basis of presentation

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

The Company's reporting and functional currency is the Canadian dollar.

Going concern

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 recoverability of the carrying value of its resource 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 interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. Such adjustments could be material.

2. BASIS OF PRESENTATION *(cont'd…)*

Going concern *(cont'd…)*

These financial statements have been prepared in accordance with IFRS 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, these financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. As at December 31, 2023, the Company has an accumulated deficit of $5,024,948 (2022 - $2,707,320) and has a working capital deficiency of $1,027,612 (2022 – $1,213,200) and has incurred significant losses. These circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The recovery of amounts capitalized for exploration and evaluation assets at December 31, 2023 and 2022 in the statements of financial position is dependent upon the ability of the Company to arrange appropriate financing to complete the development and continued exploration of the properties. The Company plans to raise funds primarily through the issuance of shares or obtain profitable operations. The outcome of these matters cannot be predicted at this time.

3. MATERIAL ACCOUNTING POLICIES

Exploration and evaluation assets ("E&E" assets)

Pre-exploration costs are expensed in the period in which they are incurred. Once the legal right to explore a property has been acquired, the Company capitalizes costs related to the acquisition and exploration of E&E assets. These costs include purchase cost, mineral lease, staking costs, filing fees, drilling, assaying, geological, geophysical, technical studies and any other exploratory activities. E&E assets for which commercially viable reserves have been identified are reclassified to development assets. They are tested for impairment immediately prior to reclassification out of E&E assets. When an unproven mineral interest is abandoned, all related expenditures are written off to operations for the period.

Impairment of non-current assets

Exploration and evaluation assets are assessed for impairment when events or circumstances indicate that the carrying amounts of the assets may not be recoverable. An impairment loss is recognized for any amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Value in use is determined as the present value of the estimated future pre-tax cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal. The Company reviews impairment on non-financial assets for possible reversal when events or circumstances warrant such consideration.

3. MATERIAL ACCOUNTING POLICIES (*cont'd…*)

Government grants

Government grants are recognized when there is reasonable assurance that (a) the Company will comply with the conditions attaching to them; and (b) the grant will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes the related costs for which the grants are intended to compensate.

Government grants in relation to the mineral exploration activities are recorded as a deduction of the carrying amount of the exploration and evaluation assets.

A forgivable loan is treated as a government grant when there is reasonable assurance that the Company will meet the terms for forgiveness of the loan. The benefit of a government loan at a below-market rate of interest is treated as a government grant.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the production assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is amortized on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

Share-based payments

The Company uses the fair value method of accounting for share-based payments on stock option grants. Under this method, the cost of stock options is recorded based on the estimated fair value at the grant date, including an estimate of the forfeiture rate, and charged either to operations or capitalized to exploration and evaluation asset costs over the vesting period. The fair value is calculated using the Black-Scholes option pricing model.

Share-based payment transactions for employees and others providing similar services is determined based on the grant date fair value. Share-based payment for non-employees is determined based on the fair value of the goods or services received or option granted measured at the date on which the Company obtains such goods or services.

Each tranche in an option award is considered a separate award with its own vesting period. Share-based payment expense is recognized over each tranche's vesting period, in earnings or capitalized as appropriate, based on the number of awards expected to vest. Where awards are forfeited, the expense previously recognized is proportionately reversed in the period the forfeiture occurs. If stock options are ultimately exercised, the applicable amounts of reserves are transferred to share capital.

3. MATERIAL ACCOUNTING POLICIES (*cont'd…*)

Lease

The right-of-use ("ROU") asset is initially measured based on the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received. The ROU asset is depreciated to the end-of-the-useful-life or the lease term, whichever comes earlier, using the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise the option. The ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method and remeasured when there is a change in future lease payments.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Share purchase warrants

The fair value of warrants issued by the Company as a component of equity financing is bifurcated from the fair value of other securities issued, and is recorded as a component of equity reserves. When warrants are granted as compensation for the receipt of goods or services, their fair value is determined using the Black-Scholes option pricing model when the fair value of goods or services cannot be determined, which is recorded either as an expense or is capitalized to share capital or assets, on the same basis as equivalent cash payments.

When share purchase warrants are exercised, the cash proceeds and any amount previously recorded in equity reserves are recorded as share capital.

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 subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, proceeds are allocated first to share capital up to the fair value of the common shares at the time of issuance, determined by reference to the quoted market price of the common shares on the issuance date, with the residual amount of proceeds, if any, allocated to a flow-through share premium. The flow-through share premium represents the estimated premium investors pay for the flow-through feature and is recognized as a liability. Upon expenses being incurred, the Company derecognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's fiscal period is disclosed separately as flow-through share commitment.

3. MATERIAL ACCOUNTING POLICIES (*cont'd…*)

Flow-through shares (*cont'd…*)

The flow-through share program requires the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures within the timeline specified by the Government of Canada flow-through regulations. If this deadline has passed, the Company would need to amend the tax forms for any unspent exploration expenditures renounced and the related flow-through premium will be reversed to share capital. The Company may be required to indemnify the flow-through shareholders for any tax and other costs payable by them if the required exploration expenditures are not incurred before the deadline. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Government of Canada flow-through regulations. The related interest and penalties for the Part XII.6 tax and any potential costs to indemnify the shareholders is recorded into flow-through tax, interest and penalty on the statements of loss and comprehensive loss.

Financial instruments

Financial instruments classified as fair value through profit or loss ("FVTPL") are recognized at fair value. Financial instruments classified as at amortized cost are initially recognized at fair value and subsequently measured at amortized cost using the effective rate method. Cash is classified at FVTPL. Due from related party, due to related parties, long-term deposits, accounts payable and accrued liabilities, lease liability and loans are classified as at amortized cost.

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

Impairment
The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated amortization and any impairment charges. The cost of an item of property, plant and equipment includes the purchase price and related costs in bringing the item to the location and preparing the condition necessary for its intended use, as well as the estimated costs of dismantling, removing the item and restoring the site on which the item is installed.

Amortization expense of assets used in exploration are capitalized to exploration and evaluation assets. Amortization is recorded on a straight-line basis over the expected useful lives of the assets as follows:

Geological equipment	36 months

Management judgments and estimates

The preparation of these financial statements in accordance with IFRS requires management's use of estimates, assumptions and judgment that impact the Company's reported financial results. These estimates are based on past experiences and expectations of future events. Uncertainty on these judgments could result in material differences of the carrying amounts in the Company's financial position.

3. MATERIAL ACCOUNTING POLICIES (*cont'd…*)

Management judgments and estimates ***(cont'd…)***

The key judgments and estimates that affect the financial statements are:

a) Impairment of exploration and evaluation assets (E&E assets)

The Company carries out an impairment assessment on its E&E assets every period end in accordance with IFRS 6 "*Exploration for and Evaluation of Mineral Resources*". The process of determining the impairment involves significant judgment and estimation on the recoverability of the E&E assets as it relies on both an interpretation of geological and technical data as well as market conditions including commodity prices, investor sentiment and global financing. As new information comes up, the recoverable amounts of the assets and the impairment loss may differ from these judgments and estimates.

b) Going concern

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

c) Interest rates

The Company estimates an incremental borrowing rate in determining the fair value of the accounts payable – long term, lease liability and the right-of-use asset. The determination of market interest rate is subjective and could significantly affect the fair value estimate.

New, amended and future accounting pronouncements

The following amendments of accounting standards are effective for the Company's annual periods beginning January 1, 2023:

On February 2021 the IASB issued amendments to IAS 8 to clarify how reporting entities should distinguish changes in accounting policies from changes in accounting estimates. The amendments include a definition of "accounting estimates" as well as other amendments to IAS 8 that will help entities distinguish changes in accounting policies from changes in accounting estimates. This distinction between these two types of changes is important as changes in accounting policies are normally applied retrospectively to past transactions and events, whereas changes in accounting estimates are applied prospectively to future transactions and events. The adoption of this amendment has no impact on the Company's financial statements.

In February 2021, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Making Materiality Judgements" aiming to improve accounting policy disclosures. The amendments to IAS 1 require reporting entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The adoption of this amendment reduced the disclosure of the Company's financial statements.

4. LONG-TERM DEPOSITS

During the year ended December 31, 2023, the Company received $26,861 (2022 - paid $11,500 to) from the Government of Nunavut in regards to various permit and license applications. As at December 31, 2023, the Company has total refundable deposits of $46,100 (December 31, 2022 - $79,032) and deposit receivable of $11,503 (December 31, 2022 - $Nil).

(Expressed in Canadian dollars)

5. EQUIPMENT

		Geological equipment
Cost		
Balance, December 31, 2021	$	-
Additions		35,045
Balance, December 31, 2022 and 2023	$	35,045
Accumulated amortization		
Balance, December 31, 2021	$	-
Additions		8,761
Balance, December 31, 2022		8,761
Additions		11,682
Balance, December 31, 2023	$	20,443
At December 31, 2022	$	26,284
At December 31, 2023	$	14,602

During the year ended December 31, 2023, amortization of $11,682 (2022 - $8,761) was recorded in exploration and evaluation assets.

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Project 939 (Northwest Territories)	*EA South (Northwest Territories)*	*Project Tasijuaq (Nunavut)*	*Project NagVaak (Nunavut)*	*Project Mel (Nunavut)*	*Total*
Balance, December 31, 2021	$ 927,780	$ 362,925	$ 35,071	$ 3,165	$ 68,617	$ 1,397,558
Acquisition	25,000	25,000	-	-	-	50,000
Staking costs and lease payments	-	-	2,340	5,330	-	7,670
Exploration						
Amortization (Note 5)	-	2,920	-	5,841	-	8,761
Assay	-	5,765	-	20,667	-	26,432
Camp	-	-	-	184,778	-	184,778
Community	690	690	-	-	-	1,380
Consulting (Note 11)	53,250	118,875	-	50,875	-	223,000
Data	7,575	22,188	-	15,469	-	45,232
Drilling	-	-	-	99,754	-	99,754
Equipment rental	-	-	-	76,009	-	76,009
Field	-	28,238	-	115,760	-	143,998
Flight and helicopter	-	-	-	778,293	-	778,293
Fuel	-	-	-	339,300	-	339,300
License and permitting	1,955	-	-	38,841	-	40,796
Geology	-	-	1,800	90,954	-	92,754
Geophysical	-	31,857	-	-	-	31,857
Travel	-	5,591	-	78,413	-	84,004
Government grant	-	-	-	(7,805)	-	(7,805)
Balance, December 31, 2022	1,016,250	604,049	39,211	1,895,644	68,617	3,623,771
Exploration						
Amortization (Note 5)	-	-	-	11,682	-	11,682
Assay	-	-	-	33,856	-	33,856
Consulting (Note 11)	-	34,875	5,350	129,967	-	170,192
Data	-	-	-	5,561	8,518	14,079
License and permitting	-	-	2,000	10,373	-	12,373
General exploration	-	-	-	14,389	3,000	17,389
Project manager (Note 11)	-	-	-	96,000	-	96,000
Impairment	(1,016,250)	(638,924)	(46,561)	-	(80,135)	(1,781,870)
Balance, December 31, 2023	$ -	$ -	$ -	$ 2,197,472	$ -	$ 2,197,472

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (*cont'd…*)

Project 939 and EA South, Northwest Territories, Canada

On September 24, 2018, the Company entered into a Letter of Agreement (the "Agreement") with Hunter Exploration Group. Pursuant to the terms of the Agreement, the Company will acquire 100% of interest in the Project 939 and EA South Project located in the Northwest Territory, Canada. Project 939 and EA South comprises 12 prospecting permits (93,821 hectares) and 16 mining claims (12,638 hectares). The Agreement was replaced by a Property Purchase Agreement dated January 11, 2021 and subsequently amended on October 8, 2021 and then on December 20, 2022. According to the Property Purchase Agreement and the amendments, the Company will have the following obligations:

Cash payments

$100,000	On or before July 3, 2018 (paid)
$100,000	On or before August 17, 2018 (paid)
$50,000	On or before July 1, 2019 (paid)
$50,000	On or before July 1, 2021 (paid)
$50,000	On or before July 1, 2022 (paid)
$350,000	

Work Commitment

$300,000	By December 31, 2018
$700,000	By December 31, 2019
$1,000,000	By December 31, 2020
$2,000,000	By December 31, 2021
$4,000,000	(Amended to complete the total amount by December 31, 2024)

As of December 31, 2023, the Company has incurred accumulatively $1,698,174 (December 31, 2022 - $1,663,299) of exploration and evaluation assets.

Share payments

Issue 1,500,000 share units within 10 days of completing the $4,000,000 work commitment (Amended to issue the shares no later than January 10, 2025). Each share unit will be comprised of one common share of the Company and one share purchase warrant. Each warrant will be exercisable into one common share of the Company at a price of $0.50 per share for a period of five years from the date of issuance.

Annual Advanced Royalty Payment ("AARP")

Commencing July 1, 2023 (Amended to July 1, 2024), a $100,000 AARP to be paid on or before July 1 and that of each subsequent year until the commencement of commercial production.

Royalties

The Project is subject to 2% Net Smelter Royalty and a 2% Gross Overriding Royalty on diamonds.

Government grant

During the year ended December 31, 2022, the Company received government grants of $102,000 from the Government of Northwest Territories ("GNT"). The GNT's contribution is towards mineral expenditure incurred by the Company on the Project 939 and EA South. The Company recorded the $102,000 as deferred government grant at December 31, 2022 which was transferred to accounts payable and accrued liabilities during the year ended December 31, 2023, as the Company didn't complete the exploration work as planned.

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (*cont'd…*)

Project 939 and EA South, Northwest Territories, Canada (*cont'd…*)

Impairment

As of December 31, 2023, the Company recognized an impairment of $1,655,174 on Project 939 and EA South due to a lack of exploration plan for year 2024.

Project Tasijuaq (previously "Project N"), Nunavut, Canada

During the year ended December 31, 2021, the Company staked 13 claims ("Project N"), 9,646 hectares located adject and outside of Project Mel (see note below), at the Melville Peninsula region of Nunavut, Canada. The staking cost is $30,175. In March 2022, the Company staked additional 4 claims, 1,013 hectares, at a cost of $2,340, and changed the project name from Project N to Project Tasijuaq.

Impairment

As of December 31, 2023, the Company recognized an impairment of $46,561 on Project Tasijuaq due to a lack of exploration plan for year 2024.

Project NagVaak, Nunavut, Canada

Effective August 1, 2021, the Company entered into a Mineral Exploration Agreement with Nunavut Tunngavik Incorporated ("NTI"), pursuant to which, the Company obtained a renewable 20-year lease with an area of approximately 2,665 hectares expiring on July 31, 2041.

Annual fees

Year	Annual fees ($/hectare/year)	Due date
1	1	On signing (paid)
2-5	2	On 1st (paid), 2nd (paid)· 3rd and 4th anniversary dates
6-10	3	On 5th, 6th, 7th, 8th and 9th anniversary dates
11-15	4	On 10th, 11th, 12th, 13th and 14th anniversary dates
16-20	5	On 15th, 16th, 17th, 18th and 19th anniversary dates

Minimum annual exploration work requirement

Year	Minimum annual work requirement ($/hectare/year)
1-2	5 (met)
3-5	10
6-10	20
11-15	30
16-20	40

6. EXPLORATION AND EVALUATION ASSETS (*cont'd…*)

Project NagVaak, Nunavut, Canada *(cont'd…)*

Government grant

During the year ended December 31, 2022, the Company received government grants of $7,805 from the Government of Nunavut ("GN") for its community engagement support program.

During the year ended December 31, 2023, the Company received government grants of $100,000 from the GN. The GN's contribution is towards mineral expenditure incurred by the Company on the Project NagVaak. The Company recorded the $100,000 as deferred government grant at December 31, 2023 which will be recognized to reduce the exploration and evaluation assets when all reporting requirements are met under the grant agreement.

Project Mel, Nunavut, Canada

Pursuant to an agreement with North Arrow Minerals Inc. ("North Arrow") dated January 13, 2021, the Company acquired 100% of the non-diamond mineral rights in respect of 46 mineral claims (covering approximately 56,075 ha of land) in Nunavut, commonly referred to as the "*MEL Project*", subject to a 1% gross overriding royalty on non-diamond mineral production from the property, half of which royalty may be purchased at any time by the Company for $1,000,000. This royalty applies to any property owned by the Company within an area of interest extending up to 5 km from the Mel Project boundary. Pursuant to the same agreement, the Company will be granted a 2% gross overriding diamond royalty (reduced to 1% in areas where there is an existing underlying royalty) over the same property, half of which royalty may be purchased by North Arrow at any time for $2,000,000. As consideration being paid for Mel Project, both the 1% gross overriding royalty on non-diamond mineral production and the 2% gross overriding royalty are valued at $Nil.

Under the agreement, the parties also agreed to share exploration infrastructure in support of their respective exploration and evaluation efforts on the Melville Peninsula and accordingly also entered into a camp and permit sharing arrangement. The parties agreed to evenly share the cost of demobilization, abandonment and reclamation of the Mel camp in the event that the permits held by North Arrow are not renewed or replaced. As at December 31, 2023, North Arrow permits are in good standing.

Impairment

As of December 31, 2023, the Company recognized an impairment of $80,135 on Project Mel due to a lack of exploration plan for year 2024.

Title to resource properties

Although the Company has taken steps to verify the title to exploration 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.

6. EXPLORATION AND EVALUATION ASSETS (*cont'd…*)

Realization of assets

The investment in and expenditures on exploration properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are permitted to lapse.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

7. LOANS

Canada Emergency Business Account ("CEBA") loan

On April 30, 2020, the Company received $40,000 of CEBA loan from Bank of Montreal. The loan is interest free, and $10,000 of the loan is eligible for loan forgiveness if $30,000 has been fully repaid on or before December 31, 2022. It also has no principal repayments during this period. The loan was recorded at a fair value of $23,257 using an effective rate of 10%, considering the grant, the interest- free loan and the forgivable portion. The residual value of $16,743 is recorded as other income.

In January 2022, the Company received a notice that the Government of Canada declined the Company's application of CEBA loan, and the CEBA loan has been converted into a non-revolving term loan as of January 21, 2022. Accordingly, the Company reversed $12,727 of the previously recorded government grant, and restored the loan balance to its original principal amount at $40,000 as of December 31, 2021.

As of December 31, 2023, a balance of $40,000 (December 31, 2022 - $40,000) is recorded as short-term loans. The Company was charged an interest at a rate of 5% per annum starting from January 19, 2024.

(Expressed in Canadian dollars)

8. ACCOUNTS PAYABLE – LONG-TERM

Effective December 31, 2023, the Company entered into five forbearance agreements with its vendors. As of December 31, 2023, the Company had accounts payable totalling $1,280,678 with the five vendors. According to the forbearance agreements, the vendors agreed to extend the payment period of the accounts payable totalling $1,189,419 until December 2025.

For accounting purpose, as at December 31, 2023, the Company reclassified the $1,189,419 to accounts payable – long-term and measured the present value of $883,932 using a discount rate of 16% as determined from its incremental borrowing rate. The difference of $305,487 is recorded as discount on fair value of accounts payable – long-term.

9. RIGHT-OF-USE ("ROU") ASSETS AND LEASE LIABILITY

On September 5, 2023, the Company entered into an office lease agreement for a 24-month lease period starting November 1, 2023. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $68,215 and recognized lease liabilities of $68,215 on commencement of the lease. As at September 5, 2023, the Company measured the present value of its lease liabilities using a discount rate of 15% as determined from its incremental borrowing rate.

a) *Right-of-use asset*

A reconciliation of the Company's right-of-use asset for the years ended December 31, 2023 and 2022 is as follows:

		Total
Balance, December 31, 2021 and 2022	$	-
Initial recognition of office lease		68,215
Amortization of ROU		(5,685)
Balance, December 31, 2023	$	62,530

b) *Lease liability*

A reconciliation of the Company's lease liability for the years ended December 31, 2023 and 2022 is as follows:

		Total
Balance, December 31, 2021 and 2022	$	-
Addition of new office lease		68,215
Accretion of interest		873
Lease payments		(6,615)
Balance, December 31, 2023	$	62,473

		December 31, 2023		December 31, 2022
Short-term portion of lease liability	$	31,747	$	-
Long-term portion of lease liability	$	30,726	$	-

c) *Lease commitment*

Minimum annual lease payments required for the year ending December 31, 2024 is $39,690 and $33,075 for the year ending December 31, 2025.

10. SHARE CAPITAL

Authorized - unlimited number of common shares without par value

Share issuance

At December 31, 2023, the Company had 33,392,679 (December 31, 2022 – 32,652,679) common shares issued and outstanding.

During the year ended December 31, 2023:

i) On August 21, 2023, the Company closed a non-brokered private placement by issuing 440,000 flow-through common shares (each an "FT Share") at $0.25 per FT Share for gross proceeds of $110,000, and 300,000 non-flow-through units (each an "NFT Unit") at $0.20 per NFT Unit for gross proceeds of $60,000. In relation to the NFT Units, the Company issued 300,000 common share purchase warrants, each entitling the holder to purchase a non-flow-through common share of the Company for $0.30 per share until August 21, 2026. The Company paid finder's fees of $6,000 in relation to this closing and accrued $8,000 legal fees.

During the year ended December 31, 2022:

i) On December 30, 2022, the Company closed a non-brokered private placement by issuing 63,600 common share units at $0.25 per unit and 1,200,000 flow-through common shares at a price of $0.30 per share for gross proceeds of $375,900. Each share unit is comprised of one common share and one half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. In relation with the private placement, the Company paid $21,600 of finders' fees, $2,351 filing fees and $16,500 legal fees.

ii) On December 2, 2022, the Company closed final tranche of a non-brokered private placement by issuing 660,600 common share units at $0.25 per unit and 335,000 flow-through common shares at a price of $0.30 per share for gross proceeds of $265,650. Each share unit is comprised of one common share and one half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. In relation with the private placement, the Company paid $6,000 of finders' fees. The Company allocated a value of $661 to warrants.

iii) On October 25, 2022, the Company closed first tranche of a non-brokered private placement by issuing 1,901,000 common share units at $0.25 per unit and 803,166 flow-through common shares at a price of $0.30 per share for gross proceeds of $716,200. Each share unit is comprised of one common share and one half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. In relation with the private placement, the Company paid $30,621 of finders' fees.

iv) On June 30, 2022, the Company closed a non-brokered private placement by issuing 2,836,050 share units at $0.30 per unit for total proceeds of $850,815. Each share unit is comprised of one common share and one half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.45 per share for three years. The Company paid $18,000 of finder's fee and accrued $7,000 legal fees.

(Expressed in Canadian dollars)

10. SHARE CAPITAL *(cont'd…)*

Share escrow

In accordance with National Policy 46-201 - *Escrow for Initial Public Offerings* of the Canadian Securities Administrators, certain principals of the Company entered into escrow agreements with the Company and its transfer agent. Pursuant to the escrow agreements, 3,920,001 shares and 1,650,000 warrants were escrowed for a period of 36 months on December 17, 2021. During the escrowed period, the securityholders are not permitted to sell, transfer, assign, mortgage, or enter into a derivative transaction in regards with the escrowed securities. The escrowed securities were released by 10% on January 10, 2022, the date the Company's shares are listed for trading on CSE, and then 15% every six months thereafter. As of December 31, 2023, 1,764,001 (December 31, 2022 – 2,940,001) shares remain in escrow.

Stock options

On March 31, 2021, the Company adopted a stock option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees and consultants. The term of the option grants is up to ten years and the vesting schedule, if any, will be determined by the Board of Directors. The maximum number of common shares reserved for issue shall not exceed 15% of the total number of common shares issued and outstanding as at the grant date.

On January 10, 2022, the Company granted incentive stock options to certain directors, officers, employees, and consultants of the Company to purchase up to an aggregate of 2,100,000 common shares of the Company. These options are exercisable for a period of five years at a price of $0.25 per share. All options will vest as to 10% on the date of grant, and a further 15% every three months thereafter. The fair value of the stock options granted was $477,716 ($0.23 per option) at the date of grant. During the year ended December 31, 2023, $42,799 (2022 - $434,917) was amortized and recorded in the statements of loss and comprehensive loss.

The fair value of the stock options granted was determined using the Black-Scholes option price modelling with the following assumptions:

Weighted average assumptions	**Year ended December 31, 2023**	**Year ended December 31, 2022**
Risk free interest rate	-	1.51%
Volatility	-	150%
Expected life of options	-	5 years
Dividend rate	-	0%

Expected volatility is based on comparable publicly listed entities.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2021	-	$ -
Granted	2,100,000	0.25
Balance, December 31, 2022 and 2023	2,100,000	$ 0.25
Exercisable, at December 31, 2023	2,100,000	$ 0.25

(Expressed in Canadian dollars)

10. SHARE CAPITAL *(cont'd…)*

Stock options *(cont'd…)*

At December 31, 2023, the Company has the following outstanding stock options outstanding:

Number of Options	Exercise Price	Expiry Date
2,100,000	$ 0.25	January 10, 2027

Warrants

On August 21, 2023, the Company closed a non-brokered private placement by 300,000 share units at $0.20 per unit for gross proceeds of $60,000. Each unit is comprised of one common share and one share purchase warrant, with each warrant being exercisable for one common share at a price of $0.30 per share for three years. The fair value of the 300,000 warrants was $Nil by using the residual value method.

On December 30, 2022, the Company closed a non-brokered private placement by issuing 63,600 share units at $0.25 per unit for total proceeds of $15,900. Each share unit is comprised of one common share and one-half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. The fair value of the 31,800 warrants was $Nil by using the residual value method.

On December 2, 2022, the Company closed final tranche of a non-brokered private placement by issuing 660,600 share units at $0.25 per unit for total proceeds of $165,150. Each share unit is comprised of one common share and one-half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. The fair value of the 330,300 warrants was $661 by using the residual value method.

On October 25, 2022, the Company closed first tranche of a non-brokered private placement by issuing 1,901,000 share units at $0.25 per unit for total proceeds of $475,250. Each share unit is comprised of one common share and one-half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. The fair value of the 950,500 warrants was $Nil by using the residual value method.

On June 30, 2022, the Company closed a non-brokered private placement by issuing 2,836,050 share units at $0.30 per unit for total proceeds of $850,815. Each share unit is comprised of one common share and one-half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.45 per share for three years. The fair value of the 1,418,024 warrants was $Nil by using the residual value method.

The continuity of the Company's warrants as of December 31, 2023 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2021	4,250,000	$ 0.11
Issued	2,730,624	0.43
Balance, December 31, 2022	6,980,624	0.24
Issued	300,000	0.30
Balance, December 31, 2023	7,280,624	$ 0.24

(Expressed in Canadian dollars)

10. SHARE CAPITAL *(cont'd…)*

Warrants *(cont'd…)*

As at December 31, 2023, the following warrants are outstanding:

Number of Warrants	Exercise Price	Expiry Date
1,050,000	$ 0.15	January 10, 2024
3,200,000	$ 0.10	January 10, 2024
1,418,024	$ 0.45	June 30, 2025
950,500	$ 0.40	October 25, 2025
330,300	$ 0.40	December 2, 2025
31,800	$ 0.40	December 30, 2025
300,000	$ 0.30	August 21, 2026

11. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the year ended December 31, 2023:

a) the Company paid or accrued consulting fees of $51,000 (2022 - $51,000) in exploration and evaluation assets, and $51,000 (2022 - $51,000) in management fees to a company controlled by the CEO. As of December 31, 2023, the Company had $60,775 (2022 - $8,925) payable to the company controlled by the CEO and $9,660 (2022 - $15,968) payable to the CEO for reimbursement of expenses incurred on behalf of the Company.

b) the Company paid or accrued management fees of $93,500 (2022 - $90,000) to a company controlled by the CFO. As of December 31, 2023, the Company had $82,425 (2022 - $31,528) payable to the company controlled by the CFO.

c) the Company paid or accrued consulting fees of $96,000 (2022 - $Nil) in exploration and evaluation assets to a company controlled by the VP Exploration. As of December 31, 2023, the Company had $58,800 (December 31, 2022 - $Nil) payable to the company controlled by the VP Exploration.

d) the Company paid or accrued consulting fees of $Nil (2022 - $56,000) in exploration and evaluation assets to a company controlled by the former VP Exploration.

e) Nil (2022 – 1,300,0000) stock options were granted to directors and officers having a fair value on issuance of $Nil (2022 - $295,729), of which $26,495 (2022 - $269,234) was amortized and recorded in the statements of loss and comprehensive loss during the year ended December 31, 2023.

Due to related parties do not bear interest, are unsecured and repayable on demand.

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS *(cont'd…)*

Due from related party

On August 1, 2018, the Company and the CEO entered into a Revolving Line of Credit Agreement ("LOC"). Pursuant to the Agreement, the Company will make payments towards Project Green located in the Republic of Panama, of which the CEO currently holds the mineral property application. The LOC has a maximum funding amount of US$100,000, interest free, and repayable by July 31, 2025.

On June 15, 2021, the Company, the CEO and 10X Minerals Corp. ("10X") entered into a loan Assignment and Assumption Agreement, pursuant to which 10X assumed the LOC from the CEO, and the Company consent to the assignment of the LOC from the CEO to 10X. The Company expects to have the loan settled with common shares of 10X. 10X was incorporated on March 10, 2021 under the laws of British Columbia, Canada, and is also controlled by the CEO. 10X is a junior exploration company focused on exploring diamonds and specialty minerals in Nunavut, Canada.

As of December 31, 2023 and 2022, the accumulated advance is US$99,543 (December 31, 2023 - $131,862; December 31, 2022 - $134,789).

12. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
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 following table sets forth the Company's financial instruments measured at fair value by level within the fair value hierarchy:

December 31, 2023	Level 1	Level 2	Level 3
Financial assets at FVTPL			
Cash	$ 5,766	$ -	$ -

December 31, 2022	Level 1	Level 2	Level 3
Financial assets at FVTPL			
Cash	$ 539,021	$ -	$ -

12. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT *(cont'd…)*

Financial risk management

The Company's objective in risk management is to maintain its ability to continue as a going concern. It is exposed to the following risks:

Liquidity risk

Liquidity risk is the risk that the Company might not be able to meet its obligations and commitments as they come due. As at December 31, 2023, the Company had cash of $5,766 (2022- $539,021) and a working capital deficiency of $1,027,612 (2022 – $1,231,200). The Company intends to continue relying on the issuance of securities to finance its future activities; however, there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

Credit risk

Credit risk arises from cash held with financial institutions as well as credit exposure on outstanding receivables. The Company's cash is held at high-credit rating financial institutions. Receivables only consist of refundable government goods and services tax. The Company is exposed to credit risk associated with due from related party which is secured by the shares of 10X, due July 31, 2025. The maximum exposure is the carrying value of $131,862.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

i. Interest rate risk
Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company's exposure to interest rate risk is insignificant.

ii. Foreign currency risk
Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has a due from related party balance which is denominated in U.S. Dollars. A 10% fluctuation in exchange rates between Canadian and U.S. Dollars would result in a $13,000 change in due from related party and foreign exchange loss. The Company does not use any techniques to mitigate foreign currency risk.

iii. Equity price risk
Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

13. CAPITAL MANAGEMENT

The Company's capital management objective is to ensure its ability to continue as a going concern to meet its operational obligations and to maintain capital access to fund its mineral exploration activities in Northwest Territory and Nunavut, Canada.

The capital that the Company manages is the total of liabilities and equity on the statements of financial position. The Company may modify the capital structure to meet its funding needs by issuing new equity shares and/or debt instruments, disposing assets or bringing in joint venture partners. To facilitate the management of its capital, the Company prepares annual budgets approved by the Board of Directors. The budget is reviewed and updated periodically to account for changes in the expenditures and economic conditions. The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian dollars)

14. FLOW-THROUGH SHARE PREMIUM LIABILITIES

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

	Issued on October 25, 2022	Issued on December 2, 2022	Issued on December 30, 2022	Issued on August 31, 2023	Total
Balance, January 1, 2022	$ -	$ -	$ -	$ -	$ -
Liability incurred on flow-through shares issued	12,048	20,100	54,000	-	86,148
Settlement of flow-through share liability on incurring expenses	(12,048)	(9,939)	-	-	(21,987)
Balance, December 31, 2022	-	10,161	54,000	-	64,161
Liability incurred on flow-through shares issued	-	-	-	22,000	22,000
Reversal of flow-through share liability	-	-	(54,000)	-	(54,000)
Settlement of flow-through share liability on incurring expenses	-	(10.161)	-	-	(10,161)
Balance, December 31, 2023	$ -	$ -	$ -	$ 22,000	$ 22,000

During the year ended December 31, 2023:

On August 21, 2023, the Company raised $110,000 through the issuance of 440,000 flow-through common shares at $0.25 per share. A flow-through liability $22,000 (premium of $0.05 per share) was recognized on the issuance date.

During the year ended December 31, 2022:

On October 25, 2022, the Company raised $240,950 through the issuance of 803,166 flow-through shares at a price of $0.30 per share. A flow-through liability of $12,048 (premium of $0.015 per share) was recognized on the issuance date. As at December 31, 2022, the Company incurred all of the $240,950 qualified expenditures.

On December 2, 2022, the Company raised $100,500 through the issuance of 335,000 flow-through shares at a price of $0.30 per share. A flow-through liability of $20,100 (premium of $0.06 per share) was recognized on the issuance date. The Company incurred a cumulative of $100,500 (2022 - $49,697) of qualified expenses as of December 31, 2023.

On December 30, 2022, the Company raised $360,000 through the issuance of 1,200,000 flow-through shares at a price of $0.30 per share. A flow-through liability of $54,000 (premium of $0.045 per share) was recognized on the issuance date. The Company incurred $Nil of qualified expenses as of December 31, 2023. As a result, the Company accrued $52,200 of Part XII.6 tax and penalty and $144,000 of liabilities on indemnifying the investors as of December 31, 2023.

(Expressed in Canadian dollars)

15. SUPPLEMENT DISCLOSURE WITH RESPECT TO CASH FLOWS

	December 31, 2023	December 31, 2022
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ 655,970	$ 700,421
Exploration and evaluation assets included in due to related parties	$ 89,188	$ 4,250
Share issuance costs included in accounts payable and accrued liabilities	$ 31,500	$ 47,451
Amortization in exploration and evaluation assets	$ 11,682	$ 8,761
Initial recognition of right-of-use assets	$ 68,215	$ -
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

16. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At December 31, 2023 and 2022, the Company's exploration and evaluation assets are located in Canada. All expenses and cash receipts pertaining to exploration and evaluation activities are capitalized.

17. INCOME TAXES

A reconciliation of income taxes at statutory rates (2023 – 27%; 2022 – 27%) with the reported taxes is as follows:

	Year ended December 31, 2023	**Year ended December 31, 2022**
Loss for the year before income tax	$ (2,317,628)	$ (1,954,032)
Expected income tax (recovery)	$ (626,000)	$ (528,000)
Non-deductible differences	9,000	114,000
Change in unrecognized tax benefits	617,000	414,000
Total income tax expenses (recovery)	**$ -**	**$ -**

(Expressed in Canadian dollars)

17. INCOME TAXES *(cont'd…)*

The following is the analysis of recognized deferred tax liabilities and deferred tax assets:

	2023	2022
Deferred tax liabilities		
Exploration and evaluation assets	$ -	$ (81,000)
Accounts payable – long term	(82,000)	-
Deferred tax liabilities	(82,000)	(81,000)
Deferred tax assets		
Non-capital losses	82,000	81,000
Deferred tax assets	82,000	81,000
Net deferred tax assets (liabilities)	**$ -**	**$ -**

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

	2023	Expiry Date Range	2022
Temporary differences:			
Share issue costs	$ 101,000	2024 – 2027	$ 126,000
Equipment	$ 20,000	No expiry date	$ 9,000
Exploration and evaluation assets	$ 1,470,000	No expiry date	$ -
Non-capital losses available for future periods	$ 2,757,000	2038 – 2043	$ 2,218,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

18. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Subsequent to the year ended December 31, 2023:

i) On January 10, 2024, 1,050,000 warrants exercisable at $0.15 per share expired without being exercised.

ii) On January 10, 2024, the Company issued 1,300,000 shares pursuant to exercise of 1,300,000 warrants at $0.10 per share, $10,000 of which was received in December 2023. The remaining 1,900,000 warrants expired without being exercised.