LEOPARD LAKE GOLD CORP.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(EXPRESSED IN CANADIAN DOLLARS)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Leopard Lake Gold Corp.

Opinion

We have audited the financial statements of Leopard Lake Gold Corp. (the "Company") which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years ended December 31, 2022 and 2021, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 audits of the Financial Statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 for the year ended December 31, 2022. 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.

Except for the matter described in the material uncertainty related to going Concern section, we have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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.

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. We have nothing to report in this regard.

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

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

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 auditors' 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 auditors' report is Fernando J. Costa.

/s/ Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

May 1, 2023

LEOPARD LAKE GOLD CORP.
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022 AND, 2021
(Expressed in Canadian dollars)

	2022	2021
	$	$
ASSETS		
CURRENT		
Cash	174,779	351,357
GST receivable	12,239	23,942
Prepaid expenses	28,920	7,000
	215,938	382,299
EXPLORATION AND EVALUATION ASSET (*Note 4)*	1,565,998	524,657
	1,781,936	**906,956**
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	87,292	48,543
Flow-through share premium liability (*Note 10*)	55,842	18,000
	143,134	66,543
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (*Note 5*)	2,131,052	1,162,598
SUBSCRIPTIONS RECEIVABLE	–	(143,873)
CONTRIBUTED SURPLUS	287,657	125,907
DEFICIT	(779,907)	(304,219)
	1,638,802	840,413
	1,781,936	**906,956**

NATURE OF BUSINESS AND CONTINUING OPERATIONS (*Note 1*)
COMMITMENTS (*Note 10)*
SUBSEQUENT EVENTS (*Note 11)*

Approved on behalf of the Board:

"Mark Lotz"
Director

"Donald Hoy"
Director

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

LEOPARD LAKE GOLD CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in Canadian dollars)

	2022	2021
	$	$
EXPENSES		
Advertising and promotion	4,300	4,812
Filing fees	23,843	21,698
Management fees (*Note 6)*	72,000	38,000
Office and miscellaneous expense	21,483	11,567
Professional fees (Note 6)	243,766	92,234
Rent (*Note 6)*	9,000	9,000
Share-based compensation *(Note 5)*	161,750	63,304
Loss before other items	536,142	240,615
Settlement of flow-through premium liability (*Note 10*)	(60,454)	–
NET AND COMPREHENSIVE LOSS	**(475,688)**	**240,615**
LOSS PER SHARE – BASIC AND DILUTED	**(0.02)**	**(0.02)**
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	**23,163,692**	**13,536,248**

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

LEOPARD LAKE GOLD CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in Canadian dollars)

	2022	2021
	$	$
OPERATING ACTIVITIES		
Net loss for the year	(475,688)	(240,615)
Non-cash expense:		
Share-based compensation	161,750	63,304
Flow through share premium	(60,454)	–
Changes in non-cash working capital balances:		
GST receivable	11,703	(13,542)
Prepaid expenses	(21,920)	(3,063)
Accounts payable and accrued liabilities	38,749	40,575
Flow-through share premium liability	98,296	18,000
Cash used in operating activities	(247,564)	(135,341)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(540,841)	(79,085)
FINANCING ACTIVITIES		
Shares issued for cash	487,743	599,127
Share issuance costs	(19,789)	(157,800)
Share subscriptions	143,873	–
Cash provided by financing activities	611,827	441,327
CHANGE IN CASH	(176,578)	226,901
CASH, BEGINNING OF THE YEAR	351,357	124,456
CASH, END OF THE YEAR	**174,779**	**351,357**

The Company did not pay any interest or income taxes in cash during the years.

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

LEOPARD LAKE GOLD CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in Canadian dollars)

	Share capital					
	Number of shares	Amount	Contributed surplus	Subscriptions receivable	Deficit	Total equity
		$	$	$	$	$
Balance, December 31, 2020	12,200,001	265,001	30,000	–	(63,604)	231,397
Shares issued for cash	6,590,000	743,000	–	(143,873)	–	599,127
Shares issuance costs	–	(190,403)	32,603	–	–	(157,800)
Shares issued for property	2,700,000	345,000	–	–	–	345,000
Share-based payments	–	–	63,304	–	–	63,304
Net loss for the year	–	–	–	–	(240,615)	(240,615)
Balance, December 31, 2021	21,490,001	1,162,598	125,907	(143,873)	(304,219)	840,413
Shares issued for cash	4,004,000	487,743	–	–	–	487,743
Shares issuance costs	–	(19,789)	–	–	–	(19,789)
Shares issued for property	3,871,429	500,500	–	–	–	500,500
Cash received for shares previously issued	–	–	–	143,873	–	143,873
Share-based payments	–	–	161,750	–	–	161,750
Net loss for the year	–	–	–	–	(475,688)	(475,688)
Balance, December 31, 2022	29,365,430	2,131,052	287,657	–	(779,907)	1,638,802

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Leopard Lake Gold Corp. ("the Company") was incorporated on July 9, 2020 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is Langley, British Columbia, Canada. The common shares of the Company trade on the Canadian Stock Exchange under the symbol CSE:LP.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at December 31, 2022, the Company has not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of $779,907 as at December 31, 2022, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PREPARATION

Statement of Compliance

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

Approval of the Financial Statements

The financial statements of the Company for the year ended December 31, 2022 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on May 1, 2023.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

The functional and presentation currency of the Company is the Canadian dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

a) Cash and cash equivalents

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of December 31, 2022, the Company held no cash equivalents.

b) Significant Accounting Estimates and Judgements

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

i. the measurement of deferred income tax assets and liabilities; and
ii. the inputs used in accounting for share-based payments.

Significant accounting judgments

i. the evaluation of the Company’s ability to continue as a going concern; and
ii. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Income Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

d) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Basic and diluted loss per share excludes all of the Company’s common shares from the weighted average shares calculation that are contingently returnable.

e) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

f) Share-based payments

The fair value of equity settled stock options awarded to employees defined under IFRS 2 Share-based payments (i.e. employees for legal and tax purpose, directors and certain consultants), determined as of the date of grant, and awarded to non-employees defined under IFRS 2, as of the date of delivery of service, is recognized as share-based payments, included in general and administrative expenses in the statement of comprehensive loss, over the vesting period of the stock options based on the estimated number of options expected to vest, with a corresponding increase to equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments

On initial recognition financial assets are classified as measured at:

i. Amortized cost;

ii. Fair value through other comprehensive income ("FVOCI"); and

iii. Fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.
The Company does not have any assets classified at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method.

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.
The Company's cash is classified at FVTPL.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments (continued)

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

h) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Exploration and evaluation assets (continued)

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

i) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

j) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Flow-through shares (continued)

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

k) Adoption of new accounting standards, interpretations and amendments

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

4. EXPLORATION AND EVALUATION ASSET

Leduc Gold Project Property

On August 17, 2020, the Company ("Optionee") entered into a mineral property option agreement with Gravel Ridge Resources Ltd. ("Optionor") to acquire a 100% interest, subject to a 1.5% royalty, in the mineral claims known Leduc Gold Project Property located in the Thunder Bay Mining Division of Ontario. Pursuant to the agreement, the Company was obligated to make cash payments totaling $81,000 and issue 400,000 common shares as follows:

- $12,000 on signing of this Agreement – paid,
- issue 200,000 common shares of the Optionee upon listing on a Canadian Exchange – issued,
- $14,000 on or before August 17, 2021 – paid,
- $20,000 on or before August 17, 2022, - paid
- issue 200,000 common shares on or before October 5, 2022, - issued
- final payment of $35,000 on or before August 17, 2023.

The Company has the option to purchase 33.33%, being 1.5% of the optionor's NSR for further cash consideration of $500,000.

St. Robert Property

On December 9, 2021, the Company entered into mineral property option agreement to acquire a 50% interest in 106 mining claims proximal to the above claims in the Marlow and Riseborough Townships in St.-Robert-Bellarmin. This agreement requires the Company will make the following payments:

- $25,000 and issue $150,000 worth of common shares prior to January 31, 2022 – paid,
- $50,000 and issue $350,000 of common shares prior to May 31, 2022 – cash paid, $187,500 common shares issued
- Issue $200,000 of common shares prior to October 3, 2022, - not issued
- $25,000 and issue $300,000 of common prior to March 31, 2023, - cash paid
- $450,000 of common shares prior to October 31, 2023,
- $450,000 of common prior to March 31, 2024

4. EXPLORATION AND EVALUATION ASSET (continued)

Share to be issued under the agreement are to be valued on a 10-day volume weighted average trading price. As disclosed in Note 11, the company amended the terms of the agreement.

The claims will be subject to a 2% net smelter return royalty, which the Company may reduce by 50% for cash consideration of $1,200,000. The remaining 50% may be purchased for an additional $2,400,000.

Stella Property

On November 15, 2021, the Company entered into a mineral property option agreement to acquire a 100% interest in two groups of claims together identified as the Stella Mining Claims in the province of Quebec. The agreement required the Company to make the following payments to acquire the interest:

- On or before November 15, 2021, issue 1,500,000 common shares – issued,
- $35,000 cash on or before November 15, 2021 – paid,
- No later than May 15, 2022, issue an additional 2,500,000 common shares. - 1,100,000 shares issued

On November 15, 2021 the Company entered into a Mineral property option agreement with Denis Bouchard to acquire a 100% interest in Property claims. Under the agreement the Company will make the following payments to acquire the interest:

- 1,000,000 common shares, - issued
- $15,000 cash - paid

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSET (continued)

	Stella Property $	**St. Robert Property** $	**Leduc Property** $	**Total** $
Acquisition costs				
Balance, December, 31, 2020	–	–	12,000	**12,000**
Cash	35,000	15,000	14,000	**64,000**
Common shares issued	195,000	130,000	20,000	**345,000**
Balance, December, 31, 2021	230,000	145,000	46,000	**421,000**
Cash	-	131,325	20,000	**151,325**
Common shares issued	143,000	337,500	20,000	**500,500**
Reclassification	145,000	(145,000)	-	**-**
Balance, December, 31, 2022	518,000	468,825	86,000	**1,072,825**
Exploration costs				
Balance, December, 31, 2020	–	–	88,572	**88,572**
Geological services	–	–	13,285	**13,285**
Survey	–	–	362	**362**
Travel	–	–	1,438	**1,438**
Balance, December, 31, 2021	–	–	103,657	**103,657**
Assay	–	6,217	–	**6,217**
Exploration expenses	–	10,520	10,143	**20,663**
Geological services	–	204,044	–	**204,044**
Line cutting	–	131,313	6,834	**138,147**
Permitting	–	9,862	–	**9,862**
Road construction	–	10,583	–	**10,583**
Balance, December, 31, 2022	–	372,539	120,634	**493,173**
Total mineral property costs				
Balance, December, 31, 2021	230,000	145,000	149,657	**524,657**
Balance, December, 31, 2022	518,000	841,364	206,634	**1,565,998**

5. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Escrow shares:

As at December 31, 2022, there were 2,535,000 common shares held in escrow.

c) Common shares Issued and outstanding as at December 31, 2022: 29,365,430

During the year ended December 31, 2022, the Company had the following share capital transactions:

On December 15, 2022 the company issued 1,500,000 common shares for a property pursuant to a property option agreement. The shares issued had a fair market value of $187,500 based on the trading price of $0.125 per share at the time of issue.

On November 13, 2022 the company issued 1,100,000 common shares for a property pursuant to a property option agreement. The fair market value of the shares at the time of issue was $143,000 based on a trading price of $0.13 per share at the time of issue.

On November 9, 2022 the Company issued closed the second and final tranche of a non-brokered private placement. The company sold 356 units at a subscription price of $805 for a total of $286,580. Each unit consisted of 4,500 flow through common shares, 1,000 non flow through common shares and 1,000 common share purchase warrants entitling the holder to purchase one 'non flow-through' share. The flow-through share premium recognized upon issuance was $47,986. There was no value allocated to the warrants using the residual method. The Company issued a total of 1,958,000 common shares and 356,000 purchase warrants.

On October 26, 2022 the Company closed the first tranche of a non-brokered private placement. The Company sold 372 units at a subscription price of $805 per unit for total proceeds of $299,460. Each unit consisted of 4,500 flow through common shares, 1,000 non flow through common shares and 1,000 common share purchase warrants entitling the holder to purchase one 'non flow-through' share. The flow-through share premium recognized upon issuance was $50,310. There was no value allocated to the warrants using the residual method. The Company issued a total of 2,046,000 common shares and 372,000 purchase warrants.

On October 26, 2022 the company issued 200,000 common shares for a property pursuant to a property option agreement. The shares issued had a fair market value of $20,000 based on a trading price of $0.10 per share at the time of issue.

On March 30, 2022 the Company issued 1,071,429 shares pursuant to a property purchase in Quebec as described in Note 4. The fair value of the common shares issued was $150,000.

5. SHARE CAPITAL (continued)

d) Issued and outstanding as at December 31, 2021: 21,490,001 common shares.

During the period ended December 31, 2021, the Company had the following transactions:

On December 31, 2021 the Company closed a brokered private placement selling 400 units to raise a total $322,000. Each unit consisted of 4,500 flow-through common shares, 1,000 common shares, and 1,000 common share purchase warrants entitling a holder to purchase one common share at a price of $0.25 per common share for a period of 24 months after the purchase date. The flow-through share premium recognized upon issuance was $18,000. There was no value allocated to the warrants using the residual method. The Company issued a total of 2,200,000 common shares and 400,000 purchase warrants.

On November 15, 2021 the Company issued 1,000,000 common shares pursuant to a property purchase in Quebec as described in Note 4. The fair value of the common shares issued was $130,000.

On November 15, 2021 the Company issued 1,500,000 common shares pursuant to a property purchase in Quebec as described in Note 4. The fair value of the common shares issued was $195,000.

On November 12, 2021 the Company closed a non-brokered private placement for aggregate gross proceeds of $70,000 for the issuance of 700,000 common shares at a price of $0.10 per share.

On October 5, 2021 the Company closed a brokered initial public offering. The company issued 3,690,000 common shares at a price $0.10 per share for net proceeds of $178,597.

On October 5, 2021 the Company issued 200,000 common shares pursuant to a property purchase in Ontario as described in Note 4. The fair value of the common shares issued was $20,000.

e) Stock options

The Company has adopted a stock option plan for directors, officers, employees, and consultants of the Company. The plan allows for the awarding of options at the discretion of the directors, options not to exceed 15% of the total number of issued and outstanding shares on a non-diluted basis.

During the year ended December 31, 2022, pursuant to its stock option plan the Company granted stock options to certain officers, directors, consultants, and employees.

On November 14, 2022 the Company granted 600,000 stock options to the directors and officers. The options vested on the grant date and are exercisable at $0.12 per share until November 14, 2025.

On March 30, 2022 the Company granted 800,000 stock options to the directors and officers. The options vested on the grant date and are exercisable at $0.14 per share for a period of five years.

On April 6, 2021, the Company granted 750,000 stock options to the directors and officers. The options vested on the grant date and are exercisable at $0.10 per share until April 6, 2026.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

e) Stock options (continued)

Share-based payments for options granted was measured using the Black-Scholes option pricing model with the following assumptions

	November 2022	**March 2022**	**2021**
Exercise price	$0.12	$0.14	$0.10
Share price	$0.12	$0.14	$0.10
Expected life	3 years	5 years	5 years
Dividend yield	Nil	Nil	Nil
Risk-free interest rate	3.60%	2.42%	0.92%
Expected Volatility	183%	133%	125%

Information regarding the Company's stock options activity is summarized below:

	Number of Options	Weighted average exercise price
		$
Balance December 31, 2020	-	-
Granted	750,000	0.10
Balance, December 31, 2021	750,000	0.10
Granted	1,400,000	0.13
Balance, December 31, 2022	2,150,000	0.12

The following table summarizes stock options outstanding at December 31, 2022:

Expiry Date	Exercise price	Number of options Outstanding
	$	
March 30, 2027	0.14	800,000
April 6, 2026	0.10	750,000
November 14, 2025	0.12	600,000
		2,150,000

f) Warrants

During the year ended December 31, 2022, the Company issued 728,000 warrants attached to the units issued pursuant to the private placement transactions described in Note 5(c).

During the year ended December 31, 2021, the Company issued 369,000 finders' warrants and 400,000 warrants that were attached to units issued.

The 369,000 finders' warrants were valued at $32,603; using the Black-Scholes option pricing model and assuming the following:

	Warrants
Exercise price per warrant	$0.10
Expected life	5 years
Dividend yield	Nil
Expected Volatility	125%

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

f) Warrants (continued)

Information regarding the Company's warrant activity is summarized below:

	Number of warrants	Weighted average exercise price
		$
Balance, December 31, 2020		
Issued	769,000	0.18
Balance, December 31, 2021	769,000	0.18
Issued	728,000	0.25
Balance, December 31, 2022	1,497,000	0.21

The following table summarizes warrants outstanding at December 31, 2022:

Expiry Date	Exercise price	Number of warrants Outstanding
	$	
December 31, 2023	0.25	400,000
October 27, 2024	0.25	372,000
November 10, 2024	0.25	356,000
October 5, 2026	0.10	369,000
		1,497,000

6. RELATED PARTY BALANCES AND TRANSACTIONS

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

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Legal fees are incurred with a firm controlled by a family member of the CFO.

The Company incurred the following key management personnel cost from related parties:

	2022	2021
	$	$
Accounting fees	69,237	7,000
Legal fees	129,472	38,600
Management fees	72,000	$ 38,000
Rent	9,000	9,000
Share-based payment	161,750	63,304

During the year ended December 31, 2022, the Company issued 1,400,000 stock options with an estimated fair value of $161,750 to the directors and officers of the Company.

During the year ended December 31, 2021, the Company issued 750,000 stock options with an estimated fair value of $63,304 to directors and officers of the Company.

(Expressed in Canadian dollars)

6. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

During the year ended December 31, 2022, the Company paid management fees of $72,000 (2021 – $38,000) and rent of $9,000 (2021- $9,000) to a company controlled by the CEO and President of the Company.

During the year ended December 31, 2022, the Company paid professional fees of $69,237 (2021 - $7,000) to a company controlled by the CFO.

During the year ended December 31, 2022, the Company paid $129,472 (2021 - $38,600) in legal fees to a company controlled by a direct family member of the CFO.

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification, evaluation and acquisition of suitable exploration projects. The Company does not have any externally imposed capital requirements to which it is subject.

The Company's capital structure consists of equity and share subscriptions. As at December 31, 2022, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, Financial Instruments: Disclosures, 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).

Fair value of financial instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at December 31, 2022 were as follows:

		Fair value measurement using		
	Carrying amount	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 174,779	$ 174,779	$ -	$ -

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short- term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

9. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

		2022		2021
Canadian statutory income tax rate		27%		27%
Income tax recovery at statutory rate	$	(128,436)	$	(64,966)
Permanent differences		23,198		(25,514)
Change in deferred tax assets not recognized		105,238		90,480
Deferred income tax recovery	$	-	$	-

(Expressed in Canadian dollars)

9. INCOME TAXES (Continued)

Significant components of the Company's deferred income tax assets are shown below:

	2022	2021
Non-capital loss carry forwards	$ 171,223	$ 90,480
Share issuance costs	24,495	-
Deferred tax (assets) liability not recognized	(195,718)	(90,480)
	$ -	$ -

As at December 31, 2022, the Company had approximately $634,000 in non-capital loss carry forward available to reduce taxable income for future year. The losses expire as follows:

Year	**$**
2040	34,000
2041	208,000
2042	392,000
	634,000

10. COMMITMENTS

a) Flow-through Shares

During the year ended December 31, 2022, the Company closed a brokered private placement selling 728 units to raise a total $586,040. Each unit consisted of 4,500 flow-through common shares, 1,000 common shares, and 1,000 common share purchase warrants. As a result of the private placement the Company issued 3,276,000 flow-through common shares. The flow-through share premium recognized upon issuance was $98,296. Expenditures related to the use of flow-through share proceeds are not available as a tax deduction to the Company as the tax benefits of these expenditures are renounced to the investors. The Company is obligated to renounce $491,400. As at December 31, 2022, the Company had incurred $125,842 in qualifying exploration expenditures.

	$
Balance, December 31, 2020	-
Expenditure commitment on flow-through shares issued	18,000
Settlement of flow-through share liability on incurring expenditures	-
Balance, December 31, 2021	18,000
Flow-through share premium on flow-through shares issued	98,296
Settlement of flow-through share liability on incurring expenditures	(60,454)
Balance, December 31, 2022	55,842

b) The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 4.

11. SUBSEQUENT EVENTS

a) On March 16, 2023, the Company acquired all the claims of 9408-3326 Quebec Inc. (9408) and Alain Amiot (Amiot) in St-Robert Bellarmin Area in exchange for 500,000 common shares of the Company.

b) On March 8, 2023, the Company entered into an agreement to settle $45,000 due to a consultant through the issuance of common shares at a deemed price of $0.08 per share. As a result, the Company issued 562,500 shares on March 16, 2023.

c) On February 8, 2023 the Company issued 50,000 common shares as a result of the exercise of 50,000 warrants. The shares were issued at a price of $0.10 per common share.

d) On January 23, 2023 the Company amended the terms of acquisition agreement of the St. Robert property. The agreement permits the Company to refrain from issuing any shares if to do so would cause the Vendor to become an insider of the Company as defined under the Securities Act (British Columbia). The Company and the Vendor agreed that the Company will not be in violation of the purchase terms so long as they are in compliance with the amended terms of acquisition.