MAX POWER MINING CORP.

Consolidated Financial Statements

December 31, 2023

(Expressed in Canadian dollars)

D&H Group LLP
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Independent Auditor's Report

To the Shareholders of Max Power Mining Corp.

Opinion

We have audited the consolidated financial statements of Max Power Mining Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated 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.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Assessment of Impairment Indicators of Exploration and Evaluation Assets

Description

Management assesses whether there are indicators of impairment to exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. Management applies judgement in assessing whether impairment indicators are present. No impairment indicators were identified by management as of December 31, 2023.

This matter was significant to our audit because the carrying value of the Company's exploration and evaluation assets at December 31, 2023, was $ 9,153,106, which represents a significant portion of the Company's total assets and management applies significant judgement in assessing whether impairment indicators are present. See Note 3 and Note 5 to the consolidated financial statements.

How the Key Audit Matter Was Addressed in the Audit
Our approach to addressing the matter included the following procedures, among others:
Evaluated management's assessment as to whether there were any indicators of impairment to exploration and evaluation assets, which included the following:

- Obtained option agreements, confirmed the details of the option agreements with counterparties and confirmed exploration claim listings included in option agreements on a sample basis with the related mining authorities.
- Obtained a sample of mineral claim and permit listings held by the Company and confirmed the mineral claims held with the related mining authorities.
- Considered the Company's intentions to carry out future exploration and evaluation expenditures which included reading Board of Directors' meeting minutes and enquiring as to the intentions and strategy of the Company.
- Assessed whether there were other changes in circumstances indicating that the exploration and evaluation expenditures may not be recoverable, based on the evidence obtained in other areas of the audit.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company recorded a net loss of $ 5,207,583 and, as at December 31, 2023, the Company had an accumulated deficit of $ 7,644,829. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

We obtained Management's Discussion and Analysis 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 Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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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 consolidated 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 Trevor Nakanishi.

"D&H Group LLP"

Vancouver, B.C.
April 26, 2024

Chartered Professional Accountants

MAX POWER MINING CORP.
Consolidated statements of financial position
(Expressed in Canadian dollars)

	December 31, 2023 $	December 31, 2022 $
Assets		
Current assets		
Cash and cash equivalents	990,160	4,351,927
GST & QST receivable	96,021	43,133
Prepaid expenses and deposits (Note 8)	515,291	318,441
	1,601,472	4,713,501
Exploration and evaluation assets (Notes 5 & 6)	9,153,106	1,979,339
Total assets	10,754,578	6,692,840
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	400,753	7,634
Total liabilities	400,753	7,634
Shareholders' equity		
Share capital (Note 10)	14,495,463	7,285,980
Contributed surplus (Notes 11 & 12)	3,503,191	1,836,472
Deficit	(7,644,829)	(2,437,246)
Total shareholders' equity	10,353,825	6,685,206
Total liabilities and shareholders' equity	10,754,578	6,692,840

Nature of operations and going concern (Note 1)
Subsequent events (Note 17)

Approved and authorized for issuance by the Board of Directors on April 26, 2024:

/s/ "Rav Mlait"　　　　*/s/ "Bryan Loree"*

Rav Mlait, Director　　　　Bryan Loree, Director

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

MAX POWER MINING CORP.
Consolidated statements of operations and comprehensive loss
(Expressed in Canadian dollars)

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Expenses		
Professional fees	45,716	38,351
Consulting fees	501,949	318,148
Exploration expenses (Note 7)	1,806,474	335,863
Research and development costs (Note 8)	406,685	95,313
Exchange & filing fees	57,194	81,085
Office & miscellaneous	48,794	99,743
Advertising and promotion	1,179,541	22,525
Travel	78,180	17,769
Stock-based compensation (Note 12)	1,083,050	1,264,999
Total operating expenses	5,207,583	2,273,796
Net loss and comprehensive loss for the period	(5,207,583)	(2,273,796)
Loss per share, basic and diluted	(0.12)	(0.07)
Weighted average shares outstanding	44,672,573	30,529,087

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

MAX POWER MINING CORP.
Consolidated statements of changes in equity
(Expressed in Canadian dollars)

	Share capital				
	Number of shares	Amount $	Contributed Surplus $	Deficit $	Total shareholders' equity $
Balance, December 31, 2021	14,781,250	485,000	83,750	(163,450)	405,120
Issuance of common shares (Note10)	15,726,516	5,846,582	(51,155)	–	5,795,427
Share issuance costs	–	(795,602)	309,719	–	(485,883)
Shares issued pursuant to property acquisitions (Note 5)	7,000,000	1,750,000	–	–	1,750,000
Warrants issued pursuant to property acquisitions (Note 5)	–	–	229,339	–	229,339
Stock options granted	–	–	1,264,999	–	1,264,999
Net loss	–	–	–	(2,273,796)	(2,273,796)
Balance, December 31, 2022	37,507,766	7,285,980	1,836,472	(2,437,246)	6,685,206
Issuance of common shares (Note 10)	2,500,655	1,281,220	(76,928)	–	1,204,292
Fair value of warrants issued pursuant to private placement	–	–	120,011	–	120,011
Share issuance costs	–	(36,737)	6,124	–	(30,613)
Shares issued pursuant to property acquisitions (Note 5 & 6)	9,500,000	5,965,000	–	–	5,965,000
Warrants issued pursuant to property acquisitions (Note 5)	–	–	534,462	–	534,462
Stock options granted	–	–	1,083,050	–	1,083,049
Net loss	–	–	–	(5,207,583)	(5,207,583)
Balance, December 31, 2023	49,508,421	14,495,463	3,503,191	(7,644,829)	10,353,825

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

MAX POWER MINING CORP.
Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Operating activities		
Net loss for the period	(5,207,583)	(2,273,796)
Items not involving cash:		
Stock-based compensation	1,083,050	1,264,999
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	393,119	(86,629)
GST & QST receivable	(52,888)	(35,890)
Prepaid expenses and deposits	(196,850)	(318,441)
Deferred transaction cost	–	79,031
Net cash used in operating activities	(3,981,152)	(1,370,726)
Investing activities		
Exploration and evaluation assets	(674,305)	–
Net cash used in investing activities	(674,305)	–
Financing activities		
Proceeds from issuance of shares	1,324,303	5,795,427
Share issuance costs	(30,613)	(485,883)
Net cash provided by financing activities	1,293,690	5,309,544
Increase (decrease) in cash	(3,361,767)	3,938,818
Cash, beginning of the period	4,351,927	413,109
Cash, end of period	990,160	4,351,927

Supplemental Cash Flow Information

During the years ended December 31, 2023 and December 31, 2022, the Company had the following non-cash transactions affecting cash flows from investing and financing activities:

2023:

- The Company issued 9,500,000 common shares with a fair value of $5,965,000 for the acquisition of exploration and evaluation assets.
- The Company issued 1,000,000 share purchase warrants with a fair value of $534,462 for the acquisition of exploration and evaluation assets.
- The Company issued 2,000,181 warrants pursuant to private placements with a fair value of $120,011.
- The Company issued 43,500 broker warrants with a fair value of $6,124.
- 313,308 broker warrants were exercised having a fair value of $76,928.

2022:

- The Company issued 7,000,000 common shares with a fair value of $1,750,000 for the acquisition of exploration and evaluation assets.
- The Company issued 1,000,000 share purchase warrants with a fair value of $229,339 for the acquisition of exploration and evaluation assets.
- The Company issued 1,036,125 broker warrants with a fair value of $309,719.
- 223,516 broker warrants were exercised having a fair value of $51,155.

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

1. Nature of Operations and Going Concern

Max Power Mining Corp. (the "Company") was incorporated on March 8, 2021 under the Business Corporations Act (BC). The Company's registered office is at Suite 2700 – 1133 Melville Street, Vancouver, BC, V6E 4E5. The Company's fiscal year end is December 31.

The Company is an exploration stage company currently focused on the exploration of mineral properties in Quebec, Canada, Ontario, Canada and Arizona, USA. It has not yet been determined whether the properties contains mineral reserves that are economically recoverable. The operations of the Company will require licences and permits from various governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licences and permits that may be required to carry out exploration, development, and mining operations at the project. Failure to comply with these conditions may render the licences liable to forfeiture.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended December 31, 2023, the Company had a net loss of $5,207,583, and as of December 31, 2023, the Company has an accumulated deficit of $7,644,829. The Company has no source of revenue and does not generate cash flows from operating activities. These factors raise significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that there is sufficient working capital to meet the Company's liabilities and commitments as they become due for the upcoming twelve months.

2. Basis of Preparation

Basis of compliance

These consolidated financial statements for the years ended December 31, 2023 and December 31, 2022, have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standard Board ("IASB") and they are consistent with interpretations of the IFRS Interpretations Committee ("IFRIC"). The accounting policies adopted in these financial statements are based on IFRS's in effect at December 31, 2023.

Basis of measurement

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the functional currency of the parent and subsidiary company.

Details of the group

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Company ceases.

The Company has one wholly-owned subsidiary, Max Power Resources LLC, which was incorporated in the United States of America.

3. Material Estimates and Judgements

The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates and judgments, which, by their nature, are uncertain.

The impact of estimates and judgments is pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates, or changes to judgments, are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is as follows:

- Determining the fair value of share options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity (deficit).

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

- Going concern

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

- Exploration and evaluation expenditures

Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods. During fiscal 2022 and 2021 management determined that no impairment indicators were present and no impairment charge was required.

4. Material Accounting Policy Information

(a) Cash and Cash Equivalents

Cash includes cash in the bank and demand deposits.

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(b) Exploration and Evaluation Assets

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis

4. Material Accounting Policy Information (continued)

(b) Exploration and Evaluation Assets (continued)

of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment in value.

These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property.

(c) Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

(d) Impairment of Non-Current Assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit (“CGU”) to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset’s value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of income.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of operations.

4. Material Accounting Policy Information (continued)

(e) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(f) Financial Instruments

Classification

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

Measurement

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

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

Financial assets and liabilities carried at FVOCI are initially recorded at fair value. Unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVOCI are included in comprehensive income or loss in the period they arise. On recognition, communicative gains and losses of financial assets in other comprehensive income or loss are reclassified to period in which profit or loss occurs.

4. Material Accounting Policy Information (continued)

(f) Financial Instruments (continued)

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. Regardless of whether credit risk has increased significantly, the loss allowance for trade receivables without a significant financing component classified at amortized cost, are measured using the lifetime expected credit loss approach. The Company shall recognize in the statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net (loss) income.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(g) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

(h) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

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

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 not recognized for the following temporary differences: 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 and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the

4. Material Accounting Policy Information (continued)

(h) Income Taxes (continued)

initial recognition of goodwill. 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 reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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.

(i) 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 flow-through shares are renounced, the deferred income tax liability associated with the renounced tax deductions is recognized in the statement of operations with a pro-rata portion of the deferred premium.

(j) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at December 31, 2023, the Company had 12,436,081 (2022 – 9,927,859) potential dilutive shares outstanding.

(k) Comprehensive Loss

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the statement of operations.

(l) Share-based Payments

The fair value of options granted is recognized as a share-based payment expense or capitalized to exploration and evaluation assets with a corresponding increase in equity reserves.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of granted options is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to settle amounts due or for goods or services received by the Company as consideration which cannot be specifically identified, they are

4. Material Accounting Policy Information (continued)

(l) Share-based Payments (continued)

measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the amount settled or goods or services received.

(m) Equity Financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company has adopted the residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. The fair value of the common shares issued in private placements is determined by the closing quoted bid price on the closing date. The balance, if any, is allocated to the attached share purchase warrants.

(n) Research and Development

The Company incurred costs on activities that relate to research and development of new technologies. Research and development costs are expensed, except in cases where development costs meet certain identifiable criteria for deferral, including technical and economic feasibility. Development costs are capitalized only if the expenditures can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. As at December 31, 2023, the company has not capitalized any research and development costs.

5. Mineral Properties

Mineral property acquisition:

Nicobat Property

On March 8, 2021, the Company entered into an LOI option agreement to acquire a 100% interest in the Nicobat Property located in Ontario, Canada. On April 23, 2021, the Company signed a definitive option agreement.

To earn 100% interest, the Company must issue a total of 5,000,000 common shares, issue 1,000,000 share purchase warrants exercisable at $0.25 per share for a period of three years, and incur exploration expenditures on the property totalling $1,000,000 as follows:

- $100,000 on or before the 12-month anniversary;
- an additional $200,000 on or before the 24-month anniversary;
- an additional $300,000 on or before the 36-month anniversary; and
- an additional $400,000 on or before the 48-month anniversary.

The optionor retains a 1% Net Smelter Royalty which the Company has first right to purchase for $1,000,000 after the Company exercises the option to acquire the 100% interest in the property.

(Expressed in Canadian dollars)

5. Mineral Properties (continued)

Nicobat Property (continued)

Shares and warrants issued:

- 5,000,000 common shares and 1,000,000 warrants issued within two business days of the listing date.
- 2,000,000 common shares issued as a finder's fee.

Total exploration costs on the Nicobat property from March 8, 2021 to December 31, 2023 were $274,296, which relates to updating the technical report, a drill program, and claim maintenance.

Acquisition and carrying costs of the exploration and evaluation asset is as follows:

	Nicobat $
Cost:	
Balance, March 8, 2021 & December 31, 2021	–
Additions: 7,000,000 common shares	1,750,000
Fair value of 1,000,000 warrants	229,339
Balance, December 31, 2022 & December 31, 2023	1,979,339

Quebec properties

Corvette Property

On January 26, 2023, the company entered into a purchase and sale agreement with Canadian Li Inc., to acquire 189 mineral claims in Quebec, Canada. The purchase price consists of 3,500,000 common shares of the Company and 1,000,000 share purchase warrants exercisable at $0.85 for a period of 36 months.

Spark Property

On April 20, 2023, the Company entered into a purchase and sale agreement with a syndicate, made up of six private parties, to acquire 400 mineral claims in Quebec, Canada. The purchase price consists of cash consideration of $121,600 and 1,500,000 common shares.

Pursuant to the purchase agreement, in addition to the purchase price, the following bonus payments are payable:

- 1,000,000 common shares of the Company as a one-time payment if a drill hole in the 2023 drill program intersects a core length of at least 100 meters grading at least 2.0% Li_2O; and
- 500,000 common shares of the Company as a one-time payment if a drill hole in the 2023 drill program, separate from the above 100-meter core length, intersects a core length of at least 50 meters grading at least 1.5% Li_2O.

The seller retains a 1% Net Smelter Royalty.

Raglan West

On July 11, 2023, the Company closed the purchase and sale agreement with a syndicate to acquire 100% of the Raglan West claim block, consisting of 247 mineral claims in Quebec, Canada. The purchase price consists of 1,000,000 common shares and cash consideration of $66,960.

(Expressed in Canadian dollars)

5. Mineral Properties (continued)

Raglan West (continued)

Pursuant to the purchase agreement, in addition to the purchase price, the following bonus payments are payable:

- 1,000,000 common shares of the Company as a one-time payment if a drill hole in the 2023 drill program intersects a core length of at least 100 meters grading at least 2.0% Li_2O; and
- 500,000 common shares of the Company as a one-time payment if a drill hole in the 2023 drill program, separate from the above 100-meter core length, intersects a core length of at least 50 meters grading at least 1.5% Li_2O.

The seller retains a 1% Net Smelter Royalty.

During the period ended September 30, 2023, the Company staked 381 mineral claims in the Nunavik area of Northern Quebec, Canada. The Nunavik claims are contiguous to the Raglan West claims and are considered part of the Raglan West property.

Raglan South

On July 17, 2023, Company closed the purchase and sale agreement with a syndicate to acquire 100% of the Raglan South claim block, consisting of 802 mineral claims in Quebec, Canada. The purchase price consists of 1,000,000 common shares and cash consideration of $216,540.

Pursuant to the purchase agreement, in addition to the purchase price, the following bonus payments are payable:

- 1,000,000 common shares of the Company as a one-time payment if a drill hole in the 2023 drill program intersects a core length of at least 100 meters grading at least 2.0% Li_2O; and
- 500,000 common shares of the Company as a one-time payment if a drill hole in the 2023 drill program, separate from the above 100-meter core length, intersects a core length of at least 50 meters grading at least 1.5% Li_2O.

The seller retains a 1% Net Smelter Royalty.

A summary of the combined mineral property acquisition costs of the Quebec properties are as follows:

	Spark $	Raglan West $	Raglan South $	Corvette $	Total $
Cost:					
Balance, December 31, 2022	–	–	–	–	–
Additions: Fair value of common shares	840,000	590,000	590,000	2,695,000	4,715,000
Fair value of warrants	–	–	–	534,462	534,462
Cash payments	121,600	66,690	216,540	–	404,830
Claim staking and maintenance	–	53,128	1,693	1,693	56,514
Balance, December 31, 2023	961,600	709,818	808,233	3,231,155	5,710,806

(Expressed in Canadian dollars)

6. Max Power Resources LLC

Max Power Resources LLC is a 100% wholly-owned subsidiary of the Company and is located in Arizona, USA. The purpose of the subsidiary is to hold mineral exploration permits and mineral claims within the State of Arizona.

Willcox Property

On December 16, 2022, the Company entered into a purchase and sale agreement to acquire 100% of 3 mineral exploration permits in the State of Arizona, USA. The purchase price consists of $40,000 and 500,000 common shares.

On May 5, 2023, the Company closed the transaction and issued the common shares pursuant to the purchase and sale agreement. In connection with the purchase, the Company paid a finder's fees of 500,000 common shares.

During the year ended December 31, 2023, the Company acquired an additional 3 mineral exploration permits and 82 mineral claims Arizona as part of the Willcox property. The Company paid $90,194 in cash and a finder's fee of 1,500,000 common shares in connection with the acquisition.

Total cost related to the Willcox property are as follows:

	Willcox $
Cost:	
Balance, December 31, 2022	–
Additions: Fair value of common shares issued	1,250,000
Cash payments	40,000
Claim staking and maintenance	172,961
Balance, December 31, 2023	1,462,961

7. Mineral Exploration Expenses

Exploration expenses incurred during the years ended December 31, 2023 and 2022 are as follows:

	Corvette Property	Spark Property	Raglan West	Raglan South	Nicobat Property	Willcox Property	General Exploration	Total
	$	$	$	$	$	$	$	$
Exploration Expenses 2022:								
Drilling	–	–	–	–	240,355	–	–	240,355
Permits & applications	–	–	–	–	–	7,169	–	7,169
Consulting	4,800	–	–	–	22,063	31,360	30,116	88,339
	4,800	–	–	–	262,418	38,529	30,116	335,863
Exploration Expenses 2023:								
Drilling	–	–	–	–	–	416,763	–	416,763
Soil Samples	–	95,626	179,982	145,267	–	13,538	–	434,413
Permits & applications	–	–	–	–	–	3,463	–	3,463
Consulting	24,074	16,333	6,361	5,392	–	93,803	94,618	240,582
Geophysics and surveys	454,087	–	–	–	–	199,053	–	653,140
Assays	–	2,474	4,362	1,109	–	3,243	–	11,189
Claims maintenance	–	–	3,636	6,743	–	26,046	10,500	46,925
	478,161	114,434	194,342	158,510	–	755,909	105,118	1,806,474

8. Research and Development Agreements

University of California Lawrence Berkeley National Laboratory

On December 12, 2022, the Company entered into a cooperative research and development agreement ("CRADA") with *The Regents of the University of California Ernest Orlando Lawrence Berkeley National Laboratory* ("the University") and the U. S. Department Of Energy ("DOE"). The Company is collaborating with the University in order to research and develop direct lithium extraction technologies. Under the Agreement, the Company's estimated funding contribution will be $915,111 USD.

The DOE has granted the Company and the University the right to retain title to any Subject Inventions that may result from the CRADA. The Company has been granted the option to choose an exclusive license, for reasonable compensation, for a pre-negotiated field of use to the Subject Inventions. The U.S. Government will retain a nonexclusive, nontransferable, irrevocable, paid-up license to practice every Subject Invention under the CRADA throughout the world. The DOE will have certain march-in rights to any Subject Inventions in accordance with 48 CFR 27.304-1(g) and 15 U.S.C. 3710a(b)(1)(B) and (C).

As at December 31, 2023, the Company has advanced the University $155,290 USD towards the project, which is included in prepaid expenses and deposits, and has incurred costs of $279,738 USD towards the project, which has been included as research and development expenses.

Alpha Cleantech Labs

On June 10, 2022, the Company entered into a research and development agreement with Alpha Cleantech Labs Inc. (the "Alpha Agreement"), whereby the Company will provide funding for the purpose of research and development. During the year ended December 31, 2023, the Company incurred research and development expenses in the amount of $26,911 (2022 - $90,776) in relation to the agreement with Alpha Cleantech.

9. Related Party Transactions

(a) During the year ended December 31, 2023, the Company incurred consulting fees of $361,600 (2022 - $250,000) to Directors and Officers.

(b) During the year ended December 31, 2023, the Company incurred exploration consulting fees of $115,666 (2022 - $41,990) to a company controlled by a Director of the Company.

(c) During the year ended December 31, 2023, the Company issued 1,750,000 (2022 - 1,525,000) stock options to Directors and Officers of the Company. The fair value of the granted and vested options was $770,586 (2022 - $1,003,268) and was charged to operations.

(d) As at December 31, 2023 $1,063 (2022 - $nil) was owed to Directors and Officers as reimbursable expenses.

10. Share Capital

Authorized: Unlimited common shares without par value
Unlimited preferred shares without par value

Share issuances for the year ended December 31, 2023:

During the year ended December 31, 2023, the Company issued 187,166 common shares pursuant to the exercise of warrants for proceeds of $112,299.

10. Share Capital (continued)

During the year ended December 31, 2023, the Company issued 313,308 common shares pursuant to the exercise of agent's warrants for proceeds of $111,904.

On December 13, 2023, the Company completed a non-brokered private placement by issuing 2,000,181 units at $0.55 per unit for gross proceeds of $1,100,100. Each unit consisted of one common share and one common share purchase warrant. Each whole warrant is exercisable at $0.90 for a period of 36 months. In connection with the offering, the Company paid cash finder's fees of $23,925 and issued 43,500 broker warrants exercisable at $0.90 for a period of 18 months. The warrants had a fair value of $120,011, which was calculated based on the residual value of the shares and was included in contributed surplus.

On July 20, 2023, the Company issued 1,000,000 common shares pursuant to the purchase of the Raglan West property, located in Quebec, Canada.

On July 20, 2023, the Company issued 1,000,000 common shares pursuant to the purchase of the Raglan South property, located in Quebec, Canada.

On May 16, 2023, the Company issued 1,500,000 common shares pursuant to the purchase of the Spark lithium property in Quebec, Canada.

On May 5, 2023, the Company issued 2,500,000 common shares pursuant to the acquisition of 6 mineral exploration permits and 82 mineral claims in the State of Arizona, USA. These permits and claims make up the Willcox property.

On January 26, 2023, the Company issued 3,500,000 common shares and 1,000,000 share purchase warrants exercisable at $0.85 for a period of 36 months, pursuant to the Corvette Property purchase agreement.

Share issuances for the year ended December 31, 2022:

During the year ended December 31, 2022, the Company issued 257,500 common shares pursuant to the exercise of warrants for proceeds of $154,500.

During the year ended December 31, 2022, the Company issued 223,516 common shares pursuant to the exercise of agent's warrants for proceeds of $71,926.

On December 9, 2022, the Company completed a non-brokered private placement by issuing 3,708,000 units at $0.50 per unit for gross proceeds of $1,854,000. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable at $0.85 for a period of 12 months. In connection with the offering, the Company paid cash finder's fees of $56,700 and issued 113,400 finder's warrants to arm's-length parties, with each finder's warrant entitling the holder to purchase one common share for a period of 18 months at a price of CAD $0.85.

On April 8, 2022, the Company completed a non-brokered private placement by issuing 5,537,500 units at $0.40 per unit for gross proceeds of $2,215,000. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable at $0.60 for a period of 12 months. In connection with the offering, the Company paid cash finder's fees of $133,980 and issued 382,725 finder's warrants to arm's-length parties, with each finder's warrant entitling the holder to purchase one common share for a period of 12 months at a price of CAD $0.60.

On February 15, 2022, the Company completed its IPO by issuing 6,000,000 common shares at a price of $0.25 per share for gross proceeds of $1,500,000. In connection with the IPO, the Company paid $150,000 in cash commissions and issued 540,000 broker warrants, exercisable at $0.25 for a period of 18 months. Corporate finance fees paid to Leede Jones Gable Inc. were $30,000.

On February 14, 2022, the Company issued 5,000,000 common shares pursuant to the Nicobat property option agreement. The Company issued 2,000,000 common shares as a finder's fee for the property option.

(Expressed in Canadian dollars)

11. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price $
December 31, 2021	–	–
Issued	5,622,750	0.62
Exercised	(257,500)	0.60
Balance, December 31, 2022	5,365,250	0.62
Issued	3,000,181	0.88
Exercised	(187,166)	0.60
Expired	(2,324,084)	0.60
Balance, December 31, 2023	5,854,181	0.76

As at December 31, 2023 the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
1,000,000	0.25	February 14, 2025
1,854,000	0.85	June 9, 2024
1,000,000	0.85	January 26, 2026
2,000,181	0.90	December 13, 2026

The fair value of the 1,000,000 warrants issued in connection with the Nicobat property was $229,339 and was capitalized under exploration & evaluation assets.

The fair value of the 1,000,000 warrants issued in connection with the Corvette property was $534,462 and was capitalized under exploration & evaluation assets. The weighted average fair value of the warrants granted during the year ended December 31, 2023 was $0.53 (2022 - $0.23) per warrant.

The fair value of the warrants issued in connection with the Nicobat property have been estimated using the Black-Scholes option pricing model assuming no expected dividends and forfeitures, and the following weighted average assumptions:

	2023	2022
Risk-free interest rate	3.79%	0.50%
Expected life (in years)	3.0	3.0
Expected volatility	118%	200%

(Expressed in Canadian dollars)

11. Share Purchase Warrants (continued)

Agent's Warrants

The following table summarizes the continuity of agent's warrants:

	Number of warrants	Weighted average exercise price $
December 31, 2021	–	–
Issued	1,036,125	0.44
Exercised	(223,516)	0.32
Balance, December 31, 2022	812,609	0.48
Issued	43,500	0.90
Exercised	(313,308)	0.44
Expired	(385,901)	0.47
Balance, December 31, 2023	156,900	0.86

The fair value for agent's warrants issued have been estimated using the Black-Scholes option pricing model assuming no expected dividends and forfeitures, and the following weighted average assumptions:

	2023	2022
Risk-free interest rate	3.99%	0.86%
Expected life (in years)	1.5	1.32
Expected volatility	94%	200%

The weighted average fair value of the agent's warrants granted during the year ended December 31, 2023 was $0.14 (2022 - $0.30) per warrant.

As at December 31, 2023 the following agent's warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
113,400	0.85	June 9, 2024
43,500	0.90	June 13, 2025

12. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 15% of the issued and outstanding common shares. The aggregate number of options granted to any one optionee in a one year period is limited to 5% of the issued shares of the corporation. The exercise price of each option is set by the Board of Directors at the time of the grant. Options vest immediately when granted and can have a maximum term of ten years.

(Expressed in Canadian dollars)

12. Stock Options (continued)

The following table summarizes the continuity of the Company's stock options:

	Number of stock options	Weighted average exercise price $
Outstanding, December 31, 2021	1,675,000	0.10
Granted	2,025,000	0.71
Outstanding, December 31, 2022	3,700,000	0.43
Granted	2,725,000	0.71
Outstanding, December 31, 2023	6,425,000	0.53

Additional information regarding stock options outstanding as at December 31, 2023, is as follows:

	Outstanding and exercisable		
Exercise price $	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.10	1,675,000	7.5	0.10
0.25	375,000	1.7	0.25
0.65	2,000,000	4.4	0.65
0.81	1,650,000	3.7	0.81
0.85	375,000	2.2	0.85
0.90	350,000	0.9	0.90

The fair value of stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends or forfeitures and the following weighted average assumptions:

	2023	2022
Risk-free interest rate	5.12	3.19
Expected life (in years)	5.00	4.21
Expected volatility	111%	200%

The total fair value of stock options granted and vested during the period ended December 31, 2023 was $1,083,050 (2022 - $1,264,999), which was recorded as share-based payment reserve and charged to operations. The weighted average fair value of the stock options granted during the period ended December 31, 2023 was $0.26 (2022 - $0.63) per option.

(Expressed in Canadian dollars)

13. Financial Instruments and Risks

(a) Categories of Financial Instruments and Fair Values

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); amortized cost; and fair value through other comprehensive income ("FVOCI"). The carrying values of the Company's financial instruments are classified into the following categories

Financial Instrument	Category	December 31, 2023 $	December 31, 2022 $
Cash and cash equivalents	FVTPL	990,160	4,351,927
Accounts payable and accrued liabilities	Amortized cost	(400,753)	(7,634)

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2023 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2023 $
Cash and cash equivalents	990,160	–	–	990,160

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

(f) Interest Rate Risk

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

(Expressed in Canadian dollars)

14. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

15. Segmented Information

The Company operates in two reportable operating segments, with the primary segment being the acquisition, exploration and evaluation of mineral resources properties. The Company is also conducting research and development on DLE technologies.

The Company has two operating segments, consisting of mineral exploration properties, and research and development. Each segment operates in Canada and the USA. The Company has assets held in Canada and the USA. The Company's President and Chief Executive Officer and Chief Financial Officer are the operating decision-makers and direct the allocation of resources to its segments. The following is the segmented information by operating segments:

December 31, 2023	Canadian Exploration Properties $	Canadian R&D Project $	US Mineral Exploration Property $	US R&D Projects $	Corporate $	Total $
Total assets	7,841,751	–	1,566,294	212,152	1,134,381	10,754,578
Total liabilities	148,903	–	204,392	30,029	17,429	400,753
Net loss (income)	793,841	26,911	907,515	381,057	3,098,259	5,207,583

At December 31, 2022, the Company operated in one industry and geographic segment, the mineral resource industry with exploration activities conducted in Canada

16. Income Taxes

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

	2023	2022
Loss for the period	$ (5,207,583)	$ (2,273,796)
Statutory rate	27%	27%
Expected income tax recovery at statutory rate	(1,406,047)	(613,925)
Share issuance costs	30,613	485,883
Change in unrecognized benefit of non-capital loss	1,375,434	128,042
Income tax recovery	$ –	$ –

(Expressed in Canadian dollars)

16. Income Taxes (continued)

Tax pools and losses available to the Corporation expire as follows:

Year of expiry	Canadian loss carry-forwards	Share issue costs
2041	$ 163,450	$ –
2042	2,273,796	485,883
2043	5,207,583	30,613
Income tax recovery	$ 7,644,829	$ 516,496

17. Subsequent Events

On February 9, 2024, the Company amended the Nicobat property option agreement, originally dated April 23, 2012, whereby the Company has earned 100% interest in the property by extending the 1,000,000 warrants issued to Sassy Gold Corp. for an additional 24 months. The Company is no longer required to incur any additional exploration expenditures pursuant to the terms of the original option agreement.