Starmet Ventures Inc.

(formerly SaveCann Solutions Inc.)

Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Starmet Ventures Inc.

Report on the Audit of the Financial Statements

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

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

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there is the following key audit matter to communicate in our auditor's report:

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 3 – Significant accounting judgements, estimates and assumptions, note 4(a) – Accounting policy Exploration and evaluation assets and note 5 Exploration and evaluation assets Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgment in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: • Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment. • Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations

significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgment.	regarding the Company's future plans for the exploration and evaluation assets. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the financial statements and our auditor's report thereon.

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 audits of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units withing the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

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

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

The engagement partner on the audit resulting in this independent auditor's report is G.Cameron Dong.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
April 10, 2024

Starmet Ventures Inc. (formerly SaveCann Solutions Inc.)
Statements of Financial Position
(Expressed in Canadian Dollars)
As at December 31,

	Note	2023	2022
ASSETS			
Current			
Cash		$ 39,710	$ 209,812
Receivables		4,981	3,029
Prepaids		13	13
		44,704	212,854
Non-current			
Exploration and evaluation assets	5	1,164,378	176,078
Total Assets		$ 1,209,082	$ 388,932
SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables		$ 14,985	$ 11,354
Short term loan	8	62,400	-
Due to related parties	7	159,000	127,000
		236,385	138,354
Shareholders' equity			
Share capital	6	1,874,482	959,482
Reserves	6	113,120	86,351
Deficit		(1,014,905)	(795,255)
		972,697	250,578
Total Shareholders' Equity		$ 1,209,082	$ 388,932

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors:

"Ohad David"
Director

"Nir Eliyahu"
Director

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

Starmet Ventures Inc. (formerly SaveCann Solutions Inc.)
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
EXPENSES		
Consulting fees (Note 7)	$ 127,594	$ 298,200
Legal	8,335	37,973
Accounting and Audit	42,000	48,325
Office and administration	495	432
Share-based payments (Note 6)	26,769	37,851
Interest income, net	(3,105)	(371)
Filing fees and other	17,562	25,328
	(219,650)	(447,738)
Net loss and comprehensive loss for the year	$ (219,650)	$ (447,738)
Loss per share	$ (0.01)	$ (0.03)
Weighted average number of shares outstanding	18,041,158	14,804,163

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

Starmet Ventures Inc. (formerly SaveCann Solutions Inc.)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share capital	Reserves	Deficit	Shareholders' Equity
Balance, January 1, 2022	**12,205,774**	**$ 510,250**	**$ 48,500**	**$ (347,517)**	**$ 211,233**
Shares cancelled	(500,000)	-	-	-	-
Shares issued at $0.10	2,500,000	250,000	-	-	250,000
Shares issued for services	1,620,000	162,000	-	-	162,000
Special Warrants issued	-	-	61,100	-	61,100
Special Warrants issue costs	-	-	(23,868)	-	(23,868)
Share-based payments	-	-	37,851	-	37,851
Conversion of special warrants	611,000	37,232	(37,232)	-	-
Net loss for the year	-	-	-	(447,738)	(447,738)
Balance, December 31, 2022	**16,436,774**	**959,482**	**86,351**	**(795,255)**	**250,578**
Shares issued for mineral claim units	6,100,000	915,000	-	-	915,000
Share-based payments	-	-	26,769	-	26,769
Net loss for the year	-	-	-	(219,650)	(219,650)
Balance, December 31, 2023	**22,536,774**	**$ 1,874,482**	**$ 113,120**	**$(1,014,905)**	**$ 972,697**

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

Starmet Ventures Inc. (formerly SaveCann Solutions Inc.)
Statements of Cash flows
(Expressed in Canadian Dollars)

	For the year ended December 31, 2023	For the year ended December 31, 2022
OPERATING ACTIVITIES		
Net loss for the year	$ (219,650)	$ (447,738)
Items not involving cash:		
Share-based payments	26,769	37,851
Consulting fee paid by issuance of common shares	-	162,000
Interest accrued on short term loan	2400	-
Changes in non-cash working capital items:		
Receivables	(1,952)	(3,029)
Trade payables	3,631	11,354
Due to related parties	32,000	37,000
Cash used in operating activities	(156,802)	(202,562)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(73,300)	(34,909)
Cash used in investing activities	(73,300)	(34,909)
FINANCING ACTIVITIES		
Shares issued for cash	-	250,000
Short term loan received	60,000	-
Warrants issued for cash, net	-	37,232
Cash provided by financing activities	60,000	287,232
Change in cash	**(170,102)**	**49,761**
Cash, beginning of the year	**209,812**	**160,051**
Cash, end of the year	**39,710**	**209,812**

Non-Cash Activities:

Shares issued for the acquisition of mineral claims	$ 915,000	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Starmet Ventures Inc. (formerly SaveCann Solutions Inc.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on March 19, 2019.

The Company is in the business of the exploration and development of natural resource properties in North America.

These financial statements have been prepared on a 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. As at December 31, 2023, the Company has not generated any revenues from operations, had working capital deficit of $191,681 (2022 – surplus of $74,500) and a deficit of $1,014,905 (2022 - $795,255).

The common shares of the Company commenced trading on October 18, 2022 on the Canadian Securities Exchange under the trading symbol STAR.

The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statement of financial position. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. BASIS OF PREPARATION

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized for issuance on April 10, 2024 by the directors of the Company.

These financial statements are presented in Canadian Dollars, which is also the Company's functional currency, unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

a) Significant judgments

The preparation of the financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's accounting policies include the assessment of the Company's ability to continue as a going concern and the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses.

b) Significant estimates and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and provisions for restoration, environmental obligations and share-based payments.

4. MATERIAL ACCOUNTING POLICY INFORMATION

a) Exploration and Evaluation Assets

The Company's exploration and evaluation assets consist of mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are at the exploration and evaluation stage.

No amortization charge is recognized in respect of exploration and evaluation assets. These assets are transferred to mine development assets in property, plant and equipment upon the commencement of mine development.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

a) Exploration and Evaluation Assets (continued)

Exploration and evaluation expenditures in the relevant area of interest are comprised of costs which are directly attributable to:

- Acquisition;
- Assays, Staking, and Mapping;
- Consulting & Professional;
- Drilling;
- Field Work;
- Geological & Geophysical; and
- Travel & Accommodation.

Exploration and evaluation expenditures related to an area of interest where the Company has tenure are capitalized as intangible assets and are initially recorded at cost less impairment.

Exploration and evaluation expenditures also includes the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalized costs, including general and administrative costs, are only allocated to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Where the Company has entered into option agreements to acquire interests in mineral properties that require periodic share issuances, amounts un-issued are not recorded as liabilities since they are issuable entirely at the Company's option. Option payments are recorded as mineral property costs when the payments are made and share issuances are recorded as mineral property costs using the fair market value of the Company's common shares at the date of the issuance.

All capitalized exploration and evaluation expenditures are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The following circumstances indicate that an entity should test exploration and evaluation assets for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditures on further exploration and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In circumstances where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the period.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

b) Financial Instruments (continued)

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, financial assets are measured at fair value and classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). At initial recognition, financial liabilities are measured at fair value and classified as, subject to certain exceptions, subsequently measured at amortized cost. For financial assets and financial liabilities not at FVTPL, fair value is adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial Instrument	IFRS 9 Classification
Cash	Amortized cost
Trade payables	Amortized cost
Short term loan	Amortized cost
Due to related parties	Amortized cost

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

b) Financial Instruments (continued)

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost the Company applies the expected credit loss impairment model.

c) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

d) Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

e) Share-based compensation

The Company accounts for share-based compensation using the fair value-based method with respect to all share-based payments to directors, employees and non-employees. Under the fair value-based method, share-based compensation is measured at fair value and recognized in operations over the vesting period. Fair value is determined using the Black-Scholes option pricing model. Any consideration paid on exercise of stock options together with the related fair value previously recognized in contributed surplus is credited to share capital.

f) Share Capital

Common shares issued for non-monetary consideration are recorded at their fair market value based upon the date of share issuance. Costs incurred to issue common shares are deducted from share capital.

g) 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.

h) Related Party 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.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	JPL	Ear Falls	Total
Balance – January 1, 2021	**$ 99,417**	**-**	**$ 99,417**
Acquisition costs	12,576	-	12,576
Deferred costs during the year			
Exploration costs:			
Field work	9,829	-	9,829
Claim fees	11,233	-	11,233
Geological and Geophysical	6,304	-	6,304
Surveys	1,282	-	1,282
Travel and accommodation	528	-	528
Total expenditures	29,176	-	29,176
Balance – December 31, 2021	**$ 141,169**	-	**$ 141,169**
Acquisition costs	16,113	-	16,113
Deferred costs during the year			
Exploration costs:			
Claim fees	12,354	-	12,354
National Instrument 43-101 report	6,442	-	6,442
Balance – December 31, 2022	**$ 176,078**	**-**	**$ 176,078**
Acquisition costs	20,330	955,000	975,330
Deferred costs during the year			
Exploration costs:			
Claim fees and Notice of intent to hold	12,970	-	12,970
Balance – December 31, 2023	**$ 209,378**	**955,000**	**$1,164,378**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many mining properties. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing. The exploration and evaluation assets in which the Company has committed to earn an interest are located in North America.

JPL Project, Nevada, USA

On August 11, 2020, the Company entered into an exploration lease and option agreement to acquire a 100% interest in the JPL Project (the "Property") consisting of certain unpatented mining claims in Nevada, USA. Following the exercise of the option, the Property will remain subject to a 3% production royalty. The Company shall be entitled to purchase ownership of the Property at any time through a one-time cash payment of $1,000,000 USD.

5. EXPLORATION AND EVALUATION ASSETS (continued)

The Company's obligations under the agreement include cash payments as follows:

(i) $10,000 USD on or before the closing date (paid at the Canadian equivalent of $13,367);
(ii) $10,000 USD on or before August 11, 2021 (paid at the Canadian equivalent of $12,575);
(iii) $12,500 USD on or before August 11, 2022 (paid at the Canadian equivalent of $16,113);
(iv) $15,000 USD on or before August 11, 2023; (paid the Canadian equivalent of $20,330)
(v) $17,500 USD on or before August 11, 2024; and
(vi) $20,000 USD on or before August 11, 2025 and each succeeding anniversary of the effective date.

Ear Falls, Ontario, Canada

On September 26, 2023, the Company acquired 302 mineral claims located near Ear Falls in the province of Ontario. The Claims cover approximately 6,040 hectares.

The Acquisition was in exchange for a total of 6,100,000 common shares of the Company at a fair valued price of $0.15 and $40,000 in cash.

A 2% net smelter return royalty has been granted by the Company to one of the vendors, half of which the Company may repurchase for an amount of $1 million in cash (representing 1.0% of the net smelter return and resulting in a remaining Royalty at a rate of 1.0% of the net smelter return).

6. SHARE CAPITAL

The Company has authorized an unlimited number of common shares and preferred shares. No preferred shares have been issued.

During the year ended December 31, 2023:

The Company issued 6,100,000 common shares at a fair valued price of $0.15 per share in exchange for 302 new mineral claim units.

During the year ended December 31, 2022:

a) The Company cancelled 500,000 common shares issued in exchange for consulting services performed during the year ended December 31, 2020.

b) On April 1, 2022, the Company issued 1,500,000 common shares at $0.10 per share to its two directors and an officer in exchange for consulting services.

c) On June 28, 2022, the Company completed a non-brokered private placement financing wherein it raised $250,000 via the issuance of 2,500,000 common shares at a price of $0.10 per share.

d) On August 18, 2022, the Company issued 120,000 common shares at $0.10 per share to a director in exchange for consulting services.

e) On September 30, 2022, 611,000 special warrants were converted to common shares upon the issuance of a final receipt for the final prospectus qualifying the issuance of shares upon conversion of the Special Warrants.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Special Warrants

On April 21, 2022, the Company issued 411,000 Special Warrants ("Special Warrants") for proceeds of $41,100 at $0.10 per Special Warrant. Each Special Warrant will automatically convert into one common share of the Company (i) at any time, at the discretion of the Company or (ii) upon the issuance, by a Canadian securities regulatory authority, of a final receipt for the final prospectus qualifying the issuance of shares upon conversion of the Special Warrants, or (iii) at that date that is eighteen months from the date that the Special Warrants were issued.

As compensation, the Company issued 200,000 special warrants to the agent. Each compensation special warrant entitles the agent to acquire one common share of the Company at no additional costs, and has the same conversion terms as those of the Special Warrants. The fair value of $20,000 ascribed to the compensation special warrants will be accounted for as warrant issuance costs.

In relation to the issuance, the Company incurred $3,868 in additional warrant issuance costs, which included a portal fee of 5% of the aggregate amount of the gross proceeds, as well as payment processing fees and legal expenses.

Stock Options

During the year ended December 31, 2020, the Company adopted a stock option plan providing for the grant to the Company's officers, directors, employees and permitted consultants and management company employees of options to purchase common shares of the Company. Under the Stock Option Plan, the Company may grant options to purchase up to 10% of the issued and outstanding shares of the Company.

On September 27, 2023 the Company granted a consultant 350,000 stock options exercisable at a price of $0.10 for five years.

On June 28, 2022, the Company granted a director 500,000 stock options exercisable at a price of $0.10 for five years from the date of listing of the Company's common shares on the Canadian Securities Exchange.

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price $
Balance, December 31, 2022	1,500,000	0.077
Granted	350,000	0.10
Balance, December 31, 2023	1,850,000	0.081

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

Number of options outstanding	Exercise price $	Expiry date	Weighted average life remaining
1,000,000	0.065	January 24, 2025	1.07
500,000	0.10	October 18, 2027	3.80
350,000	0.10	September 27, 2028	4.74
1,850,000			2.50

The share-based payments expense recognized during the year ended December 31, 2023 was $26,769 (2022 - $37,851) calculated using the Black-Scholes Option Pricing Model on the grant date using the following weighted average assumptions:

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

	Year ended December 31, 2023
Risk-free interest rate	4.33%
Expected life (in years)	5
Expected volatility	135.33%
Dividend rate	0%

7. RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended December 31, 2023, the Company incurred $60,000 (2022 - $60,000) in consulting fees to a company controlled by a former director. As at December 31, 2023, the Company owed $75,000 (December 31, 2022 - $60,000) to this company.

During the year ended December 31, 2023, the Company incurred $60,000 (2022 - $60,000) in consulting fees to a former director and officer of the company. As at December 31, 2023, the Company owed $75,000 (December 31, 2022 - $60,000) to this individual.

During the year ended December 31, 2023, the Company incurred $Nil (2022 - $11,200) in consulting fees to a director and officer of the company. As at December 31, 2023, the Company owed $Nil (December 31, 2022 - $Nil) to this director.

During the year ended December 31, 2023, the Company incurred $23,000 (2022 - $24,425) in accounting fees to a company controlled by an officer of the Company. As at December 31, 2023, the Company owed $9,000 (December 31, 2022 - $5,000) to this company.

During the year ended December 31, 2023, the Company incurred $7,000 (2022 - $5,000) in consulting fees to a company controlled by a director of the Company. As at December 31, 2023, the Company owed $Nil (December 31, 2022 - $2,000) to this company.

During the year ended December 31, 2020, the Company incurred $32,500 (2021 - $Nil) in consulting fees to a former director of the Company. The amount was paid via the issuance of 500,000 common shares of the Company at a price of $0.065 per share. These common shares were cancelled on February 8, 2022 due to the director's inability to serve as an officer of the Company.

During the year ended December 31, 2022, the Company granted 500,000 stock options to a director valued at $37,851 (see Note 6).

During the year ended December 31, 2022, the Company issued 120,000 common shares at $0.10 per share to a director in exchange for consulting services.

During the year ended December 31, 2022, the Company issued 1,500,000 common shares at $0.10 per share to its two directors and an officer in exchange for consulting services.

See Note 8.

8. SHORT TERM LOAN

During the year ended December 31, 2023, the Company secured short-term loans with a total principal amount of $60,000 from three corporations, of which $40,000 were from two corporations owned by former directors. The loans bear interest at 12% per annum and matures at the earliest of (a) September 4, 2024 and (b) Once the Company has more than USD $1,000,000 in its bank account.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Trade payables and due to related parties are due within the current operating period.

(c) *Market ri*sk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(d) *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 exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

(e) *Commodity Price Risk*

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the market price of the primary minerals identified in its mineral properties. Mineral prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in the prices of the primary minerals or in the share prices of junior mineral exploration companies in general, could have a negative impact on the Company's ability to

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

raise additional capital. Sensitivity to commodity price risk is remote since the Company has not established any reserves or production.

(f) *Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. The Company is exposed to foreign exchange risk because the Company's financial instruments are denominated in both Canadian dollars and US dollars, and all current exploration occurs within the United States.

10. CAPITAL DISCLOSURE AND MANAGEMENT

The Company defines its capital as all components of shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. 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 make changes to its capital structure as deemed appropriate under the specific circumstances.

The Company is not subject to any externally imposed capital requirements or debt covenants, and does not presently utilize any quantitative measures to monitor its capital. There were no changes to the Company's approach to managing capital during the year.

11. SEGMENTED INFORMATION

Industry information

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets.

Geographic information

The Company operates in both Canada and the USA. The Company's exploration and evaluation assets are located in the USA and Canada.

12. INCOME TAXES

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

	Year ended December 31, 2023	Year ended December 31, 2022
	$	$
Loss before income taxes	(219,651)	(447,738)
Expected income tax (recovery) at statutory rates	(59,306)	(120,889)
Permanent difference	4,679	10,220
Change in deferred tax assets	54,627	110,669
Deferred income tax recovery	-	-

(Expressed in Canadian Dollars)

12. INCOME TAXES (continued)

There are no deferred tax assets or liabilities presented in the statement of financial position.

The Company has non-capital losses of approximately $896,000 (2022 - $708,000), which may be carried forward and applied against taxable income in future years. Future tax benefits which may arise as a result of these losses have not been recognized in these financial statements and have been offset by a valuation allowance.

The Company's non-capital loss carry-forwards expire as follows:

	Non-capital Losses
	$
2039	102,000
2040	172,000
2041	24,000
2042	410,000
2043	188,000
	896,000