KENORLAND MINERALS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(EXPRESSED IN CANADIAN DOLLARS)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Kenorland Minerals Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Kenorland Minerals Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated 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 IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 in our audit 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 of the current year ended. 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.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 6 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $17,101,519 as of December 31, 2023. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management’s assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company’s recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Assessing the Company’s rights to explore E&E Assets including sending confirmation requests to optionors to ensure good standing of agreements.
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Assessment of Valuation of Investments

As described in Note 4 to the consolidated financial statements, the fair value of the Company’s Investments as at December 31, 2023 was $2,780,312, which included $1,747,149 of level 3 equity securities for which quoted prices or observable inputs were not available. As further described in Note 2, management uses a variety of valuation techniques including the net asset value, reference to the most recent equity financing completed by the investment entity, and recent transactions. In the determination of the fair value of these Investments, management applies significant judgement which includes the selection of appropriate valuation techniques and the use of significant unobservable inputs in those techniques.

The principal considerations for our determination that the assessment of valuation of Investments is a key audit matter are that there was significant judgment made by management when determining the fair value estimates of the Investments. This determination required the use of appropriate valuation techniques which included unobservable inputs. This in turn led to a high degree of auditor subjectivity and judgement in performing procedures relating to the valuation of the Investments.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management’s appropriateness of the valuation techniques used and tested the mathematical accuracy thereof.
- Confirming ownership of Investments.
- Obtaining accounting records and financial information for purposes of valuing private company investments.
- Obtained guidance from professionals with specialized skill and knowledge in the field of valuation to further assist in evaluating the reasonableness of management’s valuation techniques.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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.

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 year ended 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 Carmen Newnham.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

March 15, 2024

KENORLAND MINERALS LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2023	December 31, 2022
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		25,430,198	24,133,235
Receivables	3, 13	3,207,733	2,426,376
Prepaid expenses and deposits		520,196	1,301,249
		29,158,127	27,860,860
Investments	4	2,780,312	12,984,844
Investment in associates	5	724,172	1,061,550
Exploration and evaluation assets	6	17,101,519	13,626,109
Equipment	7	42,253	17,468
Right-of-use asset	8	276,125	-
		50,082,508	**55,550,831**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9, 13	1,632,454	1,865,404
Advances received	6	3,761,343	5,996,749
Current income tax liability	18	268,456	389,608
Current portion of lease liability	8	69,251	-
		5,731,504	8,251,761
Deferred income tax liability	18	1,686,000	2,325,000
Lease liability	8	217,705	-
		7,635,209	10,576,761
SHAREHOLDERS' EQUITY			
Share capital	11	30,848,698	30,618,927
Reserves	11	4,548,242	3,225,248
Retained earnings		7,050,359	11,129,895
		42,447,299	44,974,070
		50,082,508	**55,550,831**

Nature and continuance of operations (Note 1) and subsequent events (Note 19)

Approved and authorized for issuance by the Board of Directors on March 15, 2024.

"Jessica Van Den Akker"	"Jay Sujir"
Director	Director

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

KENORLAND MINERALS LTD.
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	Note	For the year ended December 31, 2023	2022
		$	$
Revenue	13	3,721,147	2,474,598
Operating expenses			
Conference and marketing		169,091	334,983
Consulting		364,242	165,683
Depreciation	7, 8	55,592	16,542
Foreign exchange loss (gain)		44,246	(77,662)
Insurance		58,898	53,567
Interest on lease liability	8	21,554	220
Management fees	13	66,000	87,000
Office expenses		326,898	194,627
Professional fees		322,874	473,537
Project generation		68,302	50,744
Salaries and benefits	13	2,407,704	1,825,423
Share-based compensation	11, 13	1,696,454	927,833
Transfer agent and filing fees		73,343	66,104
Travel and related		61,374	109,614
		(5,736,572)	(4,228,215)
		(2,015,425)	(1,753,617)
Other income (expenses)			
Gain on sales of mineral properties	6	3,135,857	4,459,615
Interest and other income	10, 13	998,572	120,603
Net change in fair value of investments	4	(11,276,371)	8,829,594
Gain on sale of investments	4	4,970,299	7,454,980
Equity loss in investment in associates	5	(170,159)	(155,607)
Dilution gain in investment in associates	5	43,816	-
Impairment of exploration and evaluation assets	6	(54,171)	-
Loss on disposal of equipment	7	(7,949)	-
		(2,360,106)	20,709,185
Income (loss) and comprehensive income (loss) before income taxes		(4,375,531)	18,955,568
Income tax expense	18	(678,848)	(389,608)
Deferred income tax recovery (expense)	18	639,000	(2,325,000)
Net income (loss) for the year		(4,415,379)	16,240,960

Earnings (loss) per common share (Note 12)

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

KENORLAND MINERALS LTD.
Condensed Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares Issued	Share Capital	Reserves	Retained Earnings (Deficit)	Total Shareholders' Equity
	#	$	$	$	$
Balance, December 31, 2021	**51,603,418**	**23,091,109**	**2,635,983**	**(5,237,613)**	**20,489,479**
Shares issued for cash	10,720,445	7,504,648	-	-	7,504,648
Share issuance costs	-	(273,547)	-	-	(273,547)
Options exercised	50,000	21,793	(9,293)	-	12,500
Shares issued for RSUs vested	150,000	103,500	-	-	103,500
Shares issued for exploration and evaluation assets	66,083	48,241	-	-	48,241
Warrants expired	-	123,183	(123,183)	-	-
Options expired	-	-	(126,548)	126,548	-
Share-based compensation	-	-	848,289	-	848,289
Net income for the year	-	-	-	16,240,960	16,240,960
Balance, December 31, 2022	**62,589,946**	**30,618,927**	**3,225,248**	**11,129,895**	**44,974,070**
Shares issued for cash	42,476	32,154	-	-	32,154
Options exercised	800,000	97,617	(37,617)		60,000
Options expired	-	-	(14,942)	14,942	-
Warrants expired	-	-	(320,901)	320,901	-
Shares issued for exploration and evaluation assets	128,077	100,000	-	-	100,000
Share-based compensation	-	-	1,696,454	-	1,696,454
Net loss for the year	-	-	-	(4,415,379)	(4,415,379)
Balance, December 31, 2023	**63,560,499**	**30,848,698**	**4,548,242**	**7,050,359**	**42,447,299**

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

KENORLAND MINERALS LTD.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended December 31, 2023	2022
	$	$
Cash flows used in operating activities		
Net income (loss) for the year	(4,415,379)	16,240,960
Adjustments for items not affecting cash and cash equivalents		
Depreciation	55,592	16,542
Other income	-	(30,000)
Net change in fair value of investments	11,276,371	(8,829,594)
Gain on sale of investments	(4,970,299)	(7,454,980)
Gain on sale of mineral properties	(3,135,857)	(4,459,615)
Share-based compensation	1,696,454	927,833
Interest on lease liability	21,554	220
Equity loss in investment in associates	170,159	155,607
Dilution gain in investment in associates	(43,816)	-
Deferred income tax expense (recovery)	(639,000)	2,325,000
Impairment of exploration and evaluation assets	54,171	-
Loss on disposal of equipment	7,949	-
Change in non-cash working capital items		
Receivables	(781,357)	(568,384)
Prepaid expenses and deposits	781,053	(1,188,178)
Accounts payable and accrued liabilities	(94,418)	957,737
Current income tax liability	(121,152)	389,608
	(137,975)	(1,517,244)
Cash flows used in investing activities		
Exploration and evaluation assets expenditures	(22,779,086)	(17,993,594)
Advances received for exploration and evaluation assets expenditures	16,574,740	18,218,539
Option and sale proceeds received	622,055	490,280
Purchase of equipment	(41,183)	(12,928)
Purchase of investments	(240,000)	-
Proceeds from sales of investments	7,214,124	8,954,980
Proceeds from sales of investment in associates	50,000	-
	1,400,650	9,657,277
Cash flows provided by financing activities		
Shares issued for cash	32,154	7,504,648
Share issuance costs	-	(273,547)
Options exercised	60,000	12,500
Repayment of lease liability	(57,866)	(12,695)
Cash paid for RSU vested	-	(586,500)
Government loans payable	-	(70,000)
	34,288	6,574,406
Change in cash and cash equivalents during the year	1,296,963	14,714,439
Cash and cash equivalents, beginning of the year	24,133,235	9,418,796
Cash and cash equivalents, end of the year	**25,430,198**	**24,133,235**

Supplemental disclosure with respect to cash flows (Note 16)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Kenorland Minerals Ltd. (the "Company" or "Kenorland") was incorporated on May 29, 2018 under the Business Corporations Act of British Columbia. Its principal business activity is the acquisition and exploration of mineral properties. The Company is listed for trading on the TSX Venture Exchange ("TSX-V"), Frankfurt Stock Exchange, and OTCQX under the symbol "KLD.V", "3WQ0", and "KLDCF", respectively.

The head office of the Company is located at 1570 – 1111 West Georgia Street, Vancouver, B.C., V6E 4M3 and the registered and records office of the Company is located at 2080 – 777 Hornby Street, Vancouver, B.C., V6Z 1S4.

The Company's exploration and evaluation assets are at the exploration stage and are without a known body of commercial ore. The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The amounts shown as exploration and evaluation assets costs represent acquisition, holding and deferred exploration costs and do not necessarily represent present or future recoverable values. The recoverability of the amounts shown for exploration and evaluation assets costs is dependent upon the Company obtaining the necessary financing to complete the exploration and development of the properties, the discovery of economically recoverable reserves and future profitable operations.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2023, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and raise equity capital or borrowings sufficient to meet current and future obligations. There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic from March 2020, and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and its effect on the Company's business or ability to raise funds. So far, the Company has had minimal or no impact due to these issues.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Management estimates its current working capital will be sufficient to fund its current level of activities for the next twelve months.

2. MATERIAL ACCOUNTING POLICIES

The following is a summary of material accounting policies used in the preparation of these consolidated financial statements.

Statement of compliance
These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

2. MATERIAL ACCOUNTING POLICIES (continued)

Basis of presentation
These consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of consolidation
The consolidated financial statements include the financial statements of the Company and the following subsidiaries:

		Percentage owned	
Name	**Jurisdiction**	**December 31, 2023**	**December 31, 2022**
1223437 B.C. Ltd.	Canada	100%	100%
Northway Resources Alaska Corporation	USA	100%	100%
Kenorland Minerals North America Ltd.	Canada	100%	100%
1118892 B.C. Ltd.	Canada	100%	100%
Kenorland Minerals USA Inc.	USA	100%	100%
1431275 B.C. Ltd.	Canada	100%	N/A

All intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

Use of estimates
The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates and judgements as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, determination of functional currency, level of control or influences over companies, going concern of operations, valuation of share-based compensation and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

<u>Economic recoverability and probability of future economic benefits of exploration and evaluation assets</u>
Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

2. MATERIAL ACCOUNTING POLICIES (continued)

Use of estimates (continued)

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions within the reporting entity.

Level of control or influence over companies

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting.

Going concern of operations

The consolidated 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 for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption is not appropriate for the consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statements of financial position classifications used (Note 1).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, risk-free interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Fair value of private company investments

Where the fair values of investments in private companies recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value and this value may not be indicative of recoverable value.

2. MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cashable guaranteed investment certificates with original maturities of three months or less.

As at December 31, 2023, the Company has cash balance of $3,543,179 (2022 - $7,807,701) and cash equivalents of $21,887,019 (2022 - $16,325,534).

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and cash equivalents, receivables are measured at amortized cost with subsequent impairments recognized in profit or loss and investments are classified as FVTPL.

Impairment

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities, advances received and lease liability are measured at amortized cost.

As at December 31, 2022 and 2023, the Company does not have any derivative financial liabilities.

Investment in associates

The Company accounts for its investments in affiliated companies over which it has significant influence using the equity basis of accounting, whereby the investment is initially recorded at cost, adjusted to recognize the Company's share of earnings or losses. The consolidated statement of income and comprehensive income reflects the share of the results of operations of the associated company from the acquisition date forward. Where there has been a change recognized directly in the equity of the associated company, the Company recognizes its share of any changes. Unrealized gains and losses resulting from transactions between the Company and the associated company are eliminated to the extent of the interest in the associated company.

The Company assesses its equity investments for impairment at each reporting date if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the equity investment and that the event or events has an impact on the estimated future cash flow of the investment that can be reliably estimated. Objective evidence of impairment of equity investments includes:

(i) significant financial difficulty of the associated companies;
(ii) becoming probable that the associated companies will enter bankruptcy or other financial reorganization; or
(iii) national or local economic conditions that correlate with defaults of the associated companies.

If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in profit or loss. Upon loss of significant influence over the associated company, the Company measures and recognizes any remaining investment at its fair value. Any difference between the carrying amount of the associated company upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss.

Farm outs

The Company uses the carrying amount of the exploration and evaluation asset interest before the farm-out as the carrying amount for the portion of the interest retained. Any expenditures incurred by the Company for its own interest are added to the carrying value. Any cash consideration received is credited against the carrying amount of the portion of the interest retained and is recorded as a recovery, with any excess included as a gain in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs directly related to the acquisition and exploration of exploration and evaluation assets are capitalized once the legal rights to explore the exploration and evaluation assets are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment, then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Exploration and evaluation assets are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property when received.

Restoration and environmental obligations

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

The Company’s estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company’s estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in amount and timing of the Company’s estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

For the years presented, there were no significant restoration and environmental obligations.

Revenue

The Company generates revenue from operator fees on some of the mineral projects. Revenue is recognized when the earnings process is complete, as evidenced by an agreement between the customer and the Company, when delivery has occurred, when the fee is fixed or determinable and when collection is reasonably assured. For operator fees earned from the refundable mining tax credit for exploration expenditures incurred by the optionee, the Company estimates its refundable mining tax credit and records as accrued receivable in the year the exploration activities incurred. Amounts received from customers in advance of revenue recognition are recorded as advanced received.

2. MATERIAL ACCOUNTING POLICIES (continued)

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is calculated using a declining balance and straight-line methods to write off the cost of the assets. The depreciation rate is applicable as follows:

Computer equipment	55% Declining balance
Furniture & equipment	20% Declining balance
Leasehold improvements	5 Years Straight-Line

Impairment of non-financial assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of an asset is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, restricted share units, share warrants, and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

2. MATERIAL ACCOUNTING POLICIES (continued)

Share-based compensation

The Company operates an omnibus share incentive plan for the issuance of stock options, restricted share units, performance share units, and deferred share units. Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Company transfers the value of forfeited and expired unexercised vested stock options, other share incentives and compensatory warrants to deficit or share capital from reserves on the date of expiration based on the nature of the item.

Earnings (loss) per common share

Basic earnings (loss) per share is computed by dividing net earnings available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)
A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use asset and lease liability for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

Income taxes
Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income. Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax
Deferred income tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

Income taxes (continued)
Current income and deferred tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Reclassification of prior year presentation
Certain prior year amounts on the statement of cash flows have been reclassified to conform with the current year presentation.

Standards issued or amended but not yet effective
Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. RECEIVABLES

	December 31, 2023	December 31, 2022
	$	$
Accounts receivable	142,334	179,555
Accrued receivable	538,108	600,495
Sales tax receivable	2,527,291	1,646,326
	3,207,733	**2,426,376**

(Expressed in Canadian Dollars)

4. INVESTMENTS

A summary of the Company's investment in equity instruments is as follows:

	Marketable Securities				Warrants	Private company investments			
	Kingfisher	Li-FT Power	Jayden	Targa	Troilus	Plethora	J2 Metals	Koulou	Total
	$	$	$	$	$	$	$	$	$
Balance as at December 31, 2021	60,000	-	-	-	80,559	266,500	810,748	-	1,217,807
Addition	100,000	3,503,826	833,617		-	-	-	-	4,437,443
Proceeds from sale of investments	-	(8,954,980)	-	-	-	-	-	-	(8,954,980)
Realized gain on sale of investments	-	7,454,980	-	-	-	-	-	-	7,454,980
Change in fair value of investments	(90,000)	9,017,217	(27,787)	-	(69,836)	-	-	-	8,829,594
Balance as at December 31, 2022	**70,000**	**11,021,043**	**805,830**	**-**	**10,723**	**266,500**	**810,748**	**-**	**12,984,844**
Addition	-	-	-	2,914,629	240,000	-	-	161,035	3,315,664
Proceeds from sale of investments	-	(6,945,607)	-	-	(268,517)	-	-	-	(7,214,124)
Realized gain on sale of investments	-	4,941,782	-	-	28,517	-	-	-	4,970,299
Change in fair value of investments	(38,500)	(9,017,218)	(389,021)	(2,329,775)	(10,723)	(159,888)	(770,211)	1,438,965	(11,276,371)
Balance as at December 31, 2023	**31,500**	**-**	**416,809**	**584,854**	**-**	**106,612**	**40,537**	**1,600,000**	**2,780,312**

Li-FT Power Ltd. ("Li-FT")

During the year ended December 31, 2023, the Company sold 1,001,913 Li-FT shares for total proceeds of $6,945,607 and recorded a realized gain on sale of investments of $4,941,782.

Targa Exploration Corp. ("Targa")

In January and October 2023, the Company received 4,377,375 shares of Targa at a fair value of $0.65 per share and a further 301,463 shares of Targa at a fair value of $0.23 per share, respectively, in connection with the option agreement of the Targa Projects entered in October 2022 (Note 6).

Troilus Gold Corporation ("Troilus")

During the year ended December 31, 2023, the Company exercised 360,480 warrants of Troilus for a total exercise price of $240,000 and subsequently sold all common shares of Troilus for $268,517. As a result, the Company recorded a gain on sale of investments of $28,517.

Plethora Exploration Corp. ("Plethora")

In March 2023, Superior Nickel Inc. ("Superior Nickel") completed an amalgamation with certain private companies and the amalgamated company became Plethora. The Company's 2,665,000 Superior Nickel common shares were converted at a rate of 0.043 and became 114,595 Plethora common shares.

(Expressed in Canadian Dollars)

4. INVESTMENTS (continued)

Koulou Gold Corp. ("Koulou Gold")

During the year ended December 31, 2023, the Company reclassified the investments in Koulou Gold from investment in associates to investments as Koulou Gold completed a financing (Note 5). The Company holds 8,000,000 shares of Koulou Gold with a value of $0.20 per share but no longer has significant influence over Koulou Gold. As a result of the reclassification, the Company recorded $1,438,965 in change in fair value of investments.

5. INVESTMENT IN ASSOCIATES

A summary of the Company's investment in associates is as follows:

	Prospector	Koulou Gold	Total
	$	$	$
Balance as at December 31, 2021	794,899	422,258	1,217,157
Equity loss	(31,731)	(123,876)	(155,607)
Balance as at December 31, 2022	**763,168**	**298,382**	**1,061,550**
Proceeds from sale of investment in associates	-	(50,000)	(50,000)
Dilution gain	-	43,816	43,816
Equity loss	(38,996)	(131,163)	(170,159)
Reclassified to investments	-	(161,035)	(161,035)
Balance as at December 31, 2023	**724,172**	**-**	**724,172**

Prospector Royalty Corp.

In January 2021, the Company acquired a 45% interest in Prospector Royalty Corp. ("Prospector") by paying $45,000. In August 2021, Gold Royalty Corp. subscribed for 12.5% of Prospector for $2,000,000. As a result, the Company's ownership was diluted to 39.38% and recorded a dilution gain of $782,997 representing the increase of net assets in Prospector.

Prospector's financial information as at December 31, 2022 and 2023 and loss and comprehensive loss for the year ended December 31, 2022 and 2023 are as follows:

	December 31, 2023	December 31, 2022
	$	$
Cash	1,585,969	1,761,777
Other current assets	65,784	7,246
Non-current assets	226,500	203,500
Total assets	1,878,253	1,972,523
Current liabilities	(39,087)	(34,321)
Net assets	1,839,166	1,938,202
Loss and comprehensive loss for the year	(99,037)	(80,586)
Company's share of loss during the year	(38,996)	(31,731)

(Expressed in Canadian Dollars)

5. INVESTMENT IN ASSOCIATES (continued)

Koulou Gold Corp.

As at December 31, 2022, the Company owned 9,000,000 shares of Koulou Gold, which is equivalent to 20% ownership in Koulou Gold. As a result, the Company has significant influence over Koulou Gold, resulting in Koulou Gold being recorded on the Company's consolidated financial statements as an investment in associate.

In May 2023, the Company sold 1,000,000 shares of Koulou Gold for $50,000 to a third party and decreased the ownership from 20% to 18% in Koulou Gold. The Company continues to have significant influence due to a common director and a common officer. As a result of the sale, the Company recorded a dilution gain of $43,816.

In August and September 2023, Koulou Gold completed a financing by issuing 17,500,000 shares at $0.20 per share. As a result, the Company's shareholding in Koulou Gold decreased from 18% to 13% and the Company determined it no longer had significant influence over Koulou Gold. As a result, the Company reclassified the shareholding in Koulou Gold to investments (Note 4).

Koulou Gold's financial information as at December 31, 2022 and August 8, 2023 and loss and comprehensive loss for the year ended December 31, 2022 and for the period from January 1 to August 8, 2023 are as follows:

	August 8, 2023	December 31, 2022
	$	$
Cash	1,442,608	1,164,056
Other current assets	179,859	17,251
Non-current assets	418,784	418,995
Total assets	2,041,251	1,600,302
Current liabilities	(101,450)	(42,796)
Net assets	1,939,801	1,557,506
Loss and comprehensive loss for the period	(566,558)	(616,201)
Company's share of loss during the period	(131,163)	(123,876)

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

The Company's costs and expenditures for the periods related to exploration and evaluation of mineral properties are as follows:

	Chebistuan	Chicobi	Frotet	Hunter	Lac Fagnant	O'Sullivan	Others	Rupert
	$	$	$	$	$	$	$	$
Balance as at December 31, 2021	**214,708**	**82,107**	**1,669,913**	**335,480**	**21,830**	**281,800**	**-**	**-**
Acquisition costs	-	-	250,000	-	-	-	-	-
Exploration expenditures:								
Assays	56,430	65,030	1,031,641	109,181	-	6,781	5,777	12,036
Camp and heavy equipment	4,500	43,243	1,031,235	119,812	-	-	87,965	-
Consulting and personnel	71,192	214,637	2,762,462	388,750	-	29,202	19,579	17,500
Drilling	93,000	386,552	4,112,997	939,200	-	-	-	-
Fuel	-	134	152,805	1,456	-	-	29,363	-
Geophysics	132,899	19,095	359,523	-	-	132,568	233,367	-
Helicopter and fixed wing	9,293	-	-	-	-	-	172,675	-
Site development and reclamation	5,411	30,892	78,210	53,947	-	2,021	2,760	840
Staking and claim maintenance	1,582	1,847	49,350	469	-	870	701,103	69
Supplies	4,718	84,170	736,840	88,799	-	48	33,048	-
Travel and accommodations	1,933	6,006	130,259	80,776	-	1,648	-	-
	380,958	851,606	10,695,322	1,782,390	-	173,138	1,285,637	30,445
Contribution received from optionees	(380,958)	(851,606)	-	(1,782,390)	-	-	-	(30,445)
Contribution from joint venture partner	-	-	(8,746,475)	-	-	-	-	-
Refundable mining tax credit	-	-	(511,805)	(109,272)	-	(17,356)	-	-
Consideration received	-	-	-	-	-	-	(125,000)	-
Gain on sale of mineral properties	-	-	-	-	-	-	56,695	-
Balance as at December 31, 2022	**214,708**	**82,107**	**3,106,955**	**226,208**	**21,830**	**437,582**	**1,217,332**	**-**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

	Separation Rapids	South Thompson	South Uchi	Total Canada	Tanacross	Healy	Total USA	Total
	$	$	$	$	$	$	$	$
Balance as at December 31, 2021	**-**	**28,546**	**243,745**	**2,878,129**	**1,675,888**	**6,038,796**	**7,714,684**	**10,592,813**
Acquisition costs	-	-	98,241	**348,241**	-	-	**-**	**348,241**
Exploration expenditures:								
Assays	59,067	34,779	-	**1,380,722**	59,800	50,215	**110,015**	**1,490,737**
Camp and heavy equipment	24,090	-	-	**1,310,845**	59,202	-	**59,202**	**1,370,047**
Consulting and personnel	131,789	-	-	**3,635,111**	644,653	2,783	**647,436**	**4,282,547**
Drilling	-	-	-	**5,531,749**	-	-	**-**	**5,531,749**
Fuel	20,702	-	-	**204,460**	7,432	-	**7,432**	**211,892**
Geophysics	37,330	6,210	-	**920,992**	378,653	-	**378,653**	**1,299,645**
Helicopter and fixed wing	89,684	-	-	**271,652**	47,174	-	**47,174**	**318,826**
Site development and reclamation	5,008	2,790	-	**181,879**	183	10,623	**10,806**	**192,685**
Staking and claim maintenance	96,295	201,416	1,886	**1,054,887**	429,503	156,124	**585,627**	**1,640,514**
Supplies	14,108	-	-	**961,731**	329,210	2,131	**331,341**	**1,293,072**
Travel and accommodations	17,076	-	-	**237,698**	89,193	-	**89,193**	**326,891**
	495,149	245,195	100,127	**16,039,967**	2,045,003	221,876	**2,266,879**	**18,306,846**
Contribution received from optionees	(400,697)	-	-	**(3,446,096)**	-	-	**-**	**(3,446,096)**
Contribution from joint venture partner	-	-	-	**(8,746,475)**	(2,014,509)	-	**(2,014,509)**	**(10,760,984)**
Refundable mining tax credit	-	-	-	**(638,433)**	-	-	**-**	**(638,433)**
Consideration received	(100,000)	-	(200,000)	**(425,000)**	(65,280)	-	**(65,280)**	**(490,280)**
Gain on sale of mineral properties	5,548	-	-	**62,243**	-	-	**-**	**62,243**
Balance as at December 31, 2022	**-**	**273,741**	**143,872**	**5,724,335**	**1,641,102**	**6,260,672**	**7,901,774**	**13,626,109**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

	Chebistuan	Chicobi	Frotet	Hunter	Lac Fagnant	O'Sullivan	Others	Separation Rapids
	$	$	$	$	$	$	$	$
Balance as at December 31, 2022	**214,708**	**82,107**	**3,106,955**	**226,208**	**21,830**	**437,582**	**1,217,332**	**-**
Acquisition costs	-	-	400,000	-	-	-	-	150,000
Exploration expenditures:								
Assays	76,889	28,432	1,004,606	19,334	-	45,141	703	189,082
Camp and heavy equipment	162,611	319,895	454,093	4,261	-	10,041	1,200	42,948
Consulting and personnel	696,299	257,655	3,584,374	102,102	-	290,555	15,952	331,673
Drilling	231,808	-	4,698,133	7,937	-	-	-	-
Fuel	14,441	4,304	246,688	168	-	1,582	-	18,805
Geophysics	-	-	-	109,615	-	715,378	679,203	-
Helicopter and fixed wing	-	-	-	-	-	-	-	66,976
Site development and reclamation	3,521	68,925	111,925	51,316	-	4,674	82,691	8,794
Staking and claim maintenance	8,601	68,977	6,501	30,076	375	43,688	1,100,380	13,655
Supplies	127,105	22,578	855,853	3,570	-	23,448	10,182	16,116
Travel and accommodations	62,505	420	222,918	4,629	-	8,137	8,394	44,203
	1,383,780	771,186	11,585,091	333,008	375	1,142,644	1,898,705	882,252
Contribution received from optionees	(1,383,780)	-	-	(333,008)	-	(1,290,889)	-	(882,252)
Contribution from joint venture partner	-	(771,186)	(10,283,775)	-	-	-	-	-
Refundable mining tax credit	-	-	(725,918)	-	-	(8,526)	-	-
Consideration received	-	-	-	-	-	-	(3,044,630)	(150,000)
Gain on sale of mineral properties	-	-	-	-	-	-	2,860,857	150,000
Government grant	-	-	-	-	-	-	-	-
Impairment of exploration and evaluation assets	-	-	-	-	(22,205)	-	(31,966)	-
Balance as at December 31, 2023	**214,708**	**82,107**	**3,682,353**	**226,208**	**-**	**280,811**	**2,900,298**	**-**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

	South Thompson	South Uchi	Total Canada	Tanacross	Healy	Total USA	Total
	$	$	$	$	$	$	$
Balance as at December 31, 2022	**273,741**	**143,872**	**5,724,335**	**1,641,102**	**6,260,672**	**7,901,774**	**13,626,109**
Acquisition costs	-	200,000	**750,000**	117,005	-	**117,005**	**867,005**
Exploration expenditures:							
Assays	-	184,103	**1,548,290**	102,234	1,212	**103,446**	**1,651,736**
Camp and heavy equipment	-	92,093	**1,087,142**	389,036	11,702	**400,738**	**1,487,880**
Consulting and personnel	-	396,581	**5,675,191**	1,133,752	9,397	**1,143,149**	**6,818,340**
Drilling	-	-	**4,937,878**	985,158	-	**985,158**	**5,923,036**
Fuel	-	56,143	**342,131**	294,393	-	**294,393**	**636,524**
Geophysics	26,889	16,549	**1,547,634**	27,690	59,653	**87,343**	**1,634,977**
Helicopter and fixed wing	-	235,600	**302,576**	-	19,915	**19,915**	**322,491**
Site development and reclamation	20,823	21,417	**374,086**	14,204	-	**14,204**	**388,290**
Staking and claim maintenance	7,536	13,044	**1,292,833**	329,381	162,986	**492,367**	**1,785,200**
Supplies	58	60,892	**1,119,802**	335,812	1,906	**337,718**	**1,457,520**
Travel and accommodations	8,367	58,427	**418,000**	136,591	7,409	**144,000**	**562,000**
	63,673	1,334,849	**19,395,563**	**3,865,256**	**274,180**	**4,139,436**	**23,534,999**
Contribution received from optionees	-	-	**(3,889,929)**	(3,865,256)	-	**(3,865,256)**	**(7,755,185)**
Contribution from joint venture partner	-	-	**(11,054,961)**	-	-	**-**	**(11,054,961)**
Refundable mining tax credit	-	-	**(734,444)**	-	-	**-**	**(734,444)**
Consideration received	-	(150,000)	**(3,344,630)**	(67,055)	-	**(67,055)**	**(3,411,685)**
Gain on sale of mineral properties	-	-	**3,010,857**	-	-	**-**	**3,010,857**
Government grant	-	(60,000)	**(60,000)**	-	-	**-**	**(60,000)**
Impairment of exploration and evaluation assets	-	-	**(54,171)**	-	-	**-**	**(54,171)**
Balance as at December 31, 2023	**337,414**	**1,268,721**	**8,992,620**	**1,574,047**	**6,534,852**	**8,108,899**	**17,101,519**

6. EXPLORATION AND EVALUATION ASSETS (continued)

Chebistuan Property, Quebec, Canada

The Chebistuan Property is located in Quebec and was acquired by nominal staking costs and acquisition from arm's length vendors. Certain mineral claims are subject to a 2% on net smelter return royalty and half of the royalty (1.0%) can be redeemed at the Company's discretion for consideration of $1,000,000 payable in cash. The Company holds the right of first refusal over this same 1% of royalty.

In July 2020, and later amended in June 2021, the Company entered into an exploration with venture option agreement with Newmont Corporation ("Newmont") wherein Newmont can earn up to an 80% interest in the Chebistuan Property. Under the agreement, the Company is the operator and will be compensated based on exploration expenditures incurred. In order to acquire an 80% interest, Newmont must make exploration expenditures as follows:

a) to acquire an undivided 51% interest, advance the Company a minimum of $700,000 in qualifying expenditures to complete the geochemical sampling work (advanced); approval of the geochemical sampling work; and incur or advance the Company an additional $2,000,000 in qualifying exploration expenditures (funded and earned).
b) to acquire an additional undivided 29% interest (for a total undivided interest of 80%), incur additional qualifying exploration expenditures to furnish the Company with a NI43-101-compliant prefeasibility study demonstrating the Chebistuan Property contains an inferred resource of at least 1,500,000 gold ounces.

Chicobi Property, Quebec, Canada

The Chicobi Property is located 30 kilometers northeast of the town of Amos, Quebec.

In February 2019, the Company entered into an earn in and joint venture exploration agreement with Sumitomo Metal Mining Canada Limited ("SMMCL"). Under the agreement, SMMCL can earn up to a 70% interest in the Chicobi Property by making exploration expenditures as follows:

a) to acquire an undivided 51% interest, SMMCL must fund an aggregate of $4.9 million in expenditures on the Chicobi Property on or before May 31, 2022 (funded and earned).
b) to acquire an additional undivided 19% interest (for a total undivided interest of 70%), SMMCL must, within 90 days following the completion of acquiring 51% interest, notify the Company that they will fund an aggregate of an additional $10 million in expenditures on the property within three years.

If the participating interest in the joint venture property of any party is diluted to 10% or less whether by reason of failure to complete funding contribution requirements or default, the participating interest will be deemed to have been automatically converted to a 2% net smelter return royalty in favor of the other party in respect of minerals produced from the property. If the party whose participating interest is forfeited, they will be deemed to have abandoned the property and the full benefit, ownership and title of the property shall be deemed to have passed to the other party for the payment of good and valuable consideration.

In July 2022, SMMCL notified the Company that SMMCL would not exercise the right to earn the additional 19% interest. The parties formed a joint venture on a 49/51 basis and the Company will remain the operator.

As at December 31, 2023, the Company's interest has been diluted from 49% to 43% as the Company decided not to contribute for further exploration at the Chicobi Property.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Frotet Property, Quebec, Canada

The Frotet Property is located north of Chibougamau, Quebec. Certain mineral claims are subject to a 2% on net smelter return royalty and half of the royalty (1.0%) can be redeemed at the Company's discretion for consideration of $1,000,000 payable in cash.

In April 2018, the Company entered in an earn in and joint venture exploration agreement with SMMCL. Under the agreement, SMMCL can earn up to an 80% interest in the Frotet Property by incurring total exploration expenditures of $8.3 million. In April 2021, SMMCL completed the earn in of an 80% interest by funding an aggregate of $8.3 million in expenditures on the Frotet Property. The Company and SMMCL will fund future exploration expenditures based on a 20/80 basis and the Company will remain the operator.

If the participating interest in the joint venture property of any party is diluted to 10% or less whether by reason of failure to complete funding contribution requirements or default, the participating interest will be deemed to have been automatically converted to a 2% net smelter return royalty in favor of the other party in respect of minerals produced from the property. If the party whose participating interest is forfeited, they will be deemed to have abandoned the property and the full benefit, ownership and title of the property shall be deemed to have passed to the other party for the payment of good and valuable consideration.

In February 2024, the Company completed the exchange with SMMCL of the Company's 20% participating interest in the Frotet Project for a 4.0% NSR on all minerals extracted from the Frotet Project (Note 19).

In April 2023, the Company completed the purchase agreement with O3 Mining Inc. ("O3") entered into in April 2020 to purchase mineral claims in Quebec for an aggregate purchase price of $900,000. Upon completion of the purchase agreement, when the property goes into commercial production, O3 will be entitled to receive a 2% net smelter return royalty with the right to purchase one half of the royalty upon the payment of $1,000,000.

Hunter Property, Quebec, Canada

The Hunter Property is located within the southern Abitibi Greenstone Belt, Quebec.

In January 2022, the Company entered into a property option agreement with a wholly owned subsidiary of Centerra Gold Inc. ("Centerra") pursuant to which Kenorland has agreed to grant Centerra the option to acquire up to a 70% interest in the Hunter Property.

Pursuant to the property option agreement, Centerra can earn an initial 51% interest in the Hunter Property by incurring an aggregate of $5,000,000 in mineral exploration expenditures on or before the fourth anniversary of the property option agreement (the "First Option"). Centerra can earn an additional 19% interest in the Hunter Property, for an aggregate 70% interest held (the "Second Option") by completing a technical report in respect of the Hunter Property that establishes a mineral resource of at least one million ounces of gold prepared in accordance with the requirements of National Instrument 43-101 of the Canadian Securities Administrators on or before the fourth anniversary of the exercise of the First Option, provided that Centerra must provide notice of its intent to exercise the Second Option within 90 days of the exercise of the First Option.

Following the earning of a 70% interest, Centerra and Kenorland will form a joint venture in respect of the property. In the event a joint venture participant's interest is diluted to below 10%, it will exchange its joint venture interest for a net smelter return royalty of 2% on currently unencumbered claims and 1.5% on claims currently encumbered by an existing royalty.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Lac Fagnant Property, Quebec, Canada

On January 16, 2018, and subsequently amended in July 2018, the Company entered into an agreement with Harfang Exploration Inc. (“Harfang”) and Urbangold Minerals Inc. (“Urbangold”) for exploration on certain mineral rights comprising certain mining claims on the property located in the Nunavik territory, east of Kuujjuarapik on the east coast of Hudson Bay, Quebec.

Under the agreement, the participating interest is as follows: the Company – 40%, Harfang – 40%, and Urbangold – 20%. Harfang is the operator, who can charge operator fees based on costs incurred in account for exploration expenditures on the Lac Fagnant Property, as long as its participating interest is equal to or greater than the other participants’ participating interest.

During the year ended December 31, 2023, the parties decided to not move forward on the Lac Fagnant Property. As a result, the Company recorded an impairment of exploration and evaluation assets of $22,205.

O’Sullivan Property, Quebec, Canada

The Company holds a 100% interest in mining claims located within the Abitibi greenstone Belt in Northern Quebec.

In December 2022, the Company entered into an earn in and joint venture exploration agreement with SMMCL. Under the agreement, SMMCL can earn up to a 70% interest in the O’Sullivan Property by making exploration expenditures as follows:

a) to acquire an undivided 51% interest, SMMCL must fund an aggregate of $4.9 million in expenditures on the O’Sullivan Property on or before December 15, 2025, of which $1.2 million are guaranteed expenditures.
b) to acquire an additional undivided 19% interest (for a total undivided interest of 70%), SMMCL must incur additional qualifying exploration expenditures to deliver a NI-43-101 compliant feasibility study on the O’Sullivan Property disclosing mineral resources in the measured and indicated categories of not less than 1,500,000 ounces of gold (or AuEq) within an additional seven years.

Once SMMCL has earned a 70% interest, the Company will have the option to convert the minority joint venture interest into a net smelter return royalty of 4% on the property. If the participating interest in the joint venture property of any party is diluted to 10% or less whether by reason of failure to complete funding contribution requirements or default, the participating interest will be deemed to have been automatically converted to a 3% net smelter return royalty in favor of the other party in respect of minerals produced from the property, with 1% subject to buyback for $1 million. If the party whose participating interest is forfeited, they will be deemed to have abandoned the property and the full benefit, ownership and title of the property shall be deemed to have passed to the other party for the payment of good and valuable consideration.

Other Properties, Canada

The other properties represent mineral claims that the Company staked in the provinces of British Columbia, Manitoba, Ontario, Quebec, and Saskatchewan, Canada.

During the year ended December 31, 2023, the Company sold certain mineral claims in British Columbia for $30,000 and did not renew some of the mineral claims in the same property. As a result, the Company recorded an impairment of exploration and evaluation assets of $31,966.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Other Properties, Canada (continued)

Wheatcroft Property

In October 2022, the Company entered into a definitive purchase agreement with Jayden Resources Ltd. (“Jayden”) pursuant to which Jayden will acquire a 100% interest in mineral claims that were staked by the Company in 2022, located within the Kisseynew Domain in northwestern Manitoba (the “Wheatcroft Property”).

As consideration for the Wheatcroft Property, Jayden issued 5,557,447 common shares of Jayden, paid $125,000, and granted a 3% net smelter return royalty over all of the Wheatcroft Property to the Company at closing. In addition, the Company has the right to receive additional shares in the amount equal to 9.9% of the common shares of Jayden until Jayden has raised an aggregate of not less than $10 million through future financing. The parties also entered into an operating agreement whereby the Company will operate the Wheatcroft Property for an initial two-year term.

Targa Projects

In January 2023, the Company closed the definitive purchase agreement entered into in December 2022 with Targa pursuant to which Targa acquired 100% interest in and to the Opinaca lithium project located within the James Bay region of northern Quebec (the “Opinaca Project”), along with rights to two mineral exploration license applications in eastern Manitoba (the “Superior Project” and together with the Opinaca Project, the “Targa Projects”).

As consideration for the Targa Projects, Targa issued 4,377,375 common shares of Targa, paid $100,000, and granted a 3% net smelter return royalty over all of the Targa Projects to the Company. In addition, the Company has the right to receive additional shares in the amount equal to 9.9% of the common shares of Targa until Targa has raised an aggregate of not less than $5 million through future financing. The parties also entered into an operating agreement whereby the Company will operate the Targa Projects for an initial two-year term.

Rupert Lithium Property, Quebec, Canada

During the year ended December 31, 2021, the Company staked claims located near James Bay, Quebec (the “Rupert Property”).

In July 2021, the Company entered into an option agreement with Li-FT Power Ltd. (“Li-FT”), a private British Columbia company related by way of a common officer, pursuant to which Li-FT has been granted the sole and exclusive option to acquire a 100% interest in the Rupert Property.

In June 2022, Li-FT completed the option agreement by making cash payments of $200,000 and issuing 1,751,913 common shares of Li-FT to the Company, representing 9.9% of the issued and outstanding shares of Li-FT, and Li-FT began trading on the Canadian Securities Exchange in June 2022. Upon the exercise of the option, Li-FT also granted the Company a 2% net smelter return royalty on the Rupert Property. The parties also entered into an operating agreement whereby Kenorland was engaged by Li-FT to operate the Rupert Property for an initial two-year term.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Separation Rapids Property, Ontario, Canada

During the year ended December 31, 2022, the Company staked claims located within the English River domain in the Kenora Mining District of northwestern Ontario (the “Separation Rapids Property”).

In March 2022, the Company entered into a property option agreement with Double O Seven Mining Ltd. (“007”), a private British Columbia company. Pursuant to the agreement, the Company agreed to grant 007 the option to acquire up to a 100% interest in the Separation Rapids Property for aggregate payments of $1,500,000 over five years ($250,000 received). The parties also entered into an operating agreement whereby the Company was engaged by 007 to operate the Separation Rapids Property for an initial two-year term. Upon completion of the property option agreement, Kenorland will retain a net smelter return royalty of 2.5%.

South Thompson Property, Manitoba, Canada

During the years ended December 31, 2020 and 2022, the Company staked claims located in Manitoba.

South Uchi Property, Ontario, Canada

During the year ended December 31, 2021, the Company staked claims located within the Birch-Uchi greenstone Belt, in the Red Lake district of Northwestern Ontario (the “South Uchi Property”).

In April 2021, the Company entered into an option agreement to acquire a 100% interest in the property located in Ontario, Canada. In April 2023, the Company exercised the option and paid an aggregate of $175,000 in cash and issued shares with an aggregate value of $175,000 over 2 years.

Upon the exercise of the option, Kenorland granted the optionor a 2% net smelter return royalty on the property, of which one-half (1%) may be purchased by Kenorland at any time for an aggregate payment of $1,000,000 which may be paid in cash or through the issuance of common shares of Kenorland, at the discretion of the optionor.

In September 2021, the Company entered into a property option agreement (the “Barrick Option Agreement”) with a wholly owned subsidiary of Barrick Gold Corporation (“Barrick”). Under the agreement, Barrick has the option to acquire up to an 80% interest in the South Uchi Property.

In January 2023, Barrick terminated the Barrick Option Agreement.

Healy Property, Alaska, USA

Pursuant to the option agreement with Newmont effective July 2018, the Company was entitled to acquire a 70% interest in a property located in Fairbanks Recording District, Alaska, USA (the “Healy Property”) upon incurring aggregate expenditures of US$4,000,000 on the property during the Phase 1 period of the contribution. In December 2021, the Company received acknowledgement it had completed the Phase 1 earn-in. Upon completing the Phase 1 earn-in requirement on the Healy Property, the value of the Company’s initial contribution is US$4,000,000 (70% interest) and the value of optionor’s initial contribution is US$1,715,000 (30% interest). The Company and the optionor shall fund an adopted program on a pro-rata basis in accordance with their respective participating interests.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Tanacross Property, Alaska, USA

The property is located northeast of Tok, Alaska and was acquired by staking and a payment of $20,000 to an arm's length vendor in June 2017 (the "Tanacross Property") and Freeport-McMoRan Mineral Properties Inc. held a 1% net smelter royalty in the property.

In July 2022, the Company entered into an earn-in agreement with Antofagasta Minerals S.A. ("Antofagasta"), a wholly owned subsidiary of Antofagasta PLC. Under the agreement, Antofagasta can earn up to a 70% interest in the Tanacross Property by completing the following:

a) Making cash payments in an aggregate amount of US$1 million over eight years (US$100,000 received).
b) Incurring US$30 million on exploration over eight years, with a firm commitment to spend US$1 million in the first year (incurred).
c) Delivering a NI 43-101 compliant preliminary economic assessment report.
d) Making a success payment of US$4 million upon exercise of the option.

Once Antofagasta has earned its 70% interest, Kenorland and Antofagasta will form a 30:70 joint venture. If either party's interest in the joint venture falls below 10%, that party's interest will be converted to a 2% net smelter return royalty, of which 0.5% can be purchased by the other party for US$2 million.

Advances Received

The balances of excess funding received from optionees and joint venturers are as follows:

	December 31, 2023	December 31, 2022
	$	$
Chebistuan	342,355	1,726,135
Chicobi	125,151	842,472
Frotet	2,225,390	2,370,689
Hunter	130,200	295,610
O'Sullivan	245,887	-
Separation Rapids	257,050	164,302
Tanacross	435,310	597,541
	3,761,343	**5,996,749**

(Expressed in Canadian Dollars)

7. EQUIPMENT

	Computer equipment	Furniture & equipment	Leasehold improvement	Total
Cost:	**$**	**$**	**$**	**$**
At December 31, 2021	12,736	9,149	-	21,885
Additions	3,579	-	9,349	12,928
At December 31, 2022	16,315	9,149	9,349	34,813
Additions	3,407	37,776	-	41,183
Disposal	-	-	(9,349)	(9,349)
At December 31, 2023	19,722	46,925	-	66,647
Depreciation:				
At December 31, 2021	9,255	3,033	-	12,288
Charge for the year	2,900	1,224	933	5,057
At December 31, 2022	12,155	4,257	933	17,345
Charge for the year	3,226	4,756	467	8,449
Disposal	-	-	(1,400)	(1,400)
At December 31, 2023	15,381	9,013	-	24,394
Net book value:				
At December 31, 2022	4,160	4,892	8,416	17,468
At December 31, 2023	**4,341**	**37,912**	**-**	**42,253**

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY

Commencing June 2023, the Company entered into a four-year term lease agreement for office space in Vancouver, British Columbia.

Right-of-Use Asset

	Office lease
	$
Cost:	
Balance, December 31, 2021 and 2022	78,107
Additions	323,268
Balance, December 31, 2023	401,375
Depreciation:	
Balance, December 31, 2021	66,622
Charge for the year	11,485
Balance, December 31, 2022	78,107
Charge for the year	47,143
Balance, December 31, 2023	125,250
Net book value:	
Balance, December 31, 2022	-
Balance, December 31, 2023	**276,125**

Depreciation of right-of-use asset is calculated using the straight-line method over the lease term.

(Expressed in Canadian Dollars)

8. RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)

Lease Liability

	$
At December 31, 2021	12,475
Lease payments made	(12,695)
Interest expense on lease liability	220
At December 31, 2022	**-**
Additions	323,268
Lease payments made	(57,866)
Interest expense on lease liability	21,554
	286,956
Less: current portion	(69,251)
At December 31, 2023	**217,705**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023	December 31, 2022
	$	$
Accounts payable	831,142	1,340,778
Accrued liabilities	758,285	488,220
Payroll taxes payable	43,027	36,406
	1,632,454	**1,865,404**

10. GOVERNMENT LOANS PAYABLE

As at December 31, 2021, the Company and one of its subsidiaries have applied and received two loans - $60,000 and $40,000, respectively, from the federal government of Canada under the Canada Emergency Business Account ("CEBA") program. If both loans are fully repaid by December 31, 2023, a total of $30,000 will be forgiven. During the year ended December 31, 2022, the Company repaid $70,000 to the CEBA program and recognized $30,000 loan forgiven as other income.

11. SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

11. SHARE CAPITAL AND RESERVES (continued)

Issued Share Capital

During the year ended December 31, 2022:

a) The Company issued 66,083 common shares in connection to the property option agreements for the South Uchi Property valued at $48,241 (Note 6).
b) The Company closed a private placement and issued 10,703,593 common shares at a price of $0.70 per share for aggregate gross proceeds of $7,492,515. The Company incurred expenses of $266,285 related to the financing.
c) The Company issued 150,000 common shares at $0.69 per share for 150,000 RSUs vested.
d) The Company issued 50,000 common shares in connection with the exercise of stock options for proceeds of $12,500. The Company reallocated $9,293 from reserves to share capital in connection with the exercise of these options.
e) The Company issued 16,852 shares to SMMCL at $0.72 per share for proceeds of $12,133 in connection to the investor rights agreements as part of the strategic investment by SMMCL.

During the year ended December 31, 2023:

a) The Company issued 128,077 common shares in connection to the property option agreements for the South Uchi Property valued at $100,000 (Note 6).
b) The Company issued 800,000 common shares in connection with the exercise of stock options for proceeds of $60,000. The Company reallocated $37,617 from reserves to share capital in connection with the exercise of these options.
c) The Company issued 42,476 common shares to SMMCL at a weighted average price of $0.76 per share for proceeds of $32,154 in connection to the investor rights agreements as part of the strategic investment by SMMCL.

As at December 31, 2023, the Company has 2,829,002 shares subject to escrow pursuant to the requirements of the TSX-V, which will be released through January 2024.

Stock Options

The Company's incentive plan provides for the issuance of stock options to its officers, directors, employees and consultants. Stock options are non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options.

In September 2023, the Company adopted an omnibus share incentive plan for the issuance of stock options, restricted share units, performance share units, and deferred share units to its officers, directors, employees and consultants ("Awards"). Awards are non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to Awards may not exceed 12,707,605 shares at the time of granting. The exercise price and vesting terms of such Awards are determined by the Board of Directors of the Company at the time of grant.

In February 2022, the Company granted 1,375,000 stock options with a total value of $813,217 to directors, officers, and employees of the Company. All options granted are exercisable at a price of $0.70 per share for a period of five years. The options vest 25% immediately followed by 25% every six months thereafter.

In January 2023, the Company granted 2,850,000 stock options with a total value of $1,984,459 to directors, officers, employees, and consultants of the Company. All options granted are exercisable at a price of $0.82 per share for a period of five years. The options vest one-third immediately, followed by one-third every year thereafter.

In May 2023, 50,000 stock options were cancelled, as a result, the Company reclassified $14,942 attributed to these options from reserves to retained earnings.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES (continued)

Stock Options (continued)

During the year ended December 31, 2023, the Company recognized share-based compensation of $1,696,454 (2022 - $848,289).

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the valuation of the stock options granted:

	For the year ended December 31, 2023	2022
Risk-free interest rate	2.88%	1.79%
Dividend yield	Nil	Nil
Expected life	5 years	5 years
Volatility	125%	125%
Weighted average fair value per option granted	$0.70	$0.59

Stock option transactions are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
		$
Balance, December 31, 2021	6,879,997	0.30
Granted	1,375,000	0.70
Cancelled	(225,000)	0.83
Exercised	(50,000)	0.25
Balance, December 31, 2022	7,979,997	0.36
Granted	2,850,000	0.82
Cancelled	(50,000)	0.82
Exercised	(800,000)	0.075
Balance, December 31, 2023	**9,979,997**	0.51

A summary of the stock options outstanding and exercisable at December 31, 2023 is as follows:

Number of Stock Options Outstanding	Number of Stock Options Exercisable	Exercise Price	Expiry Date
		$	
249,997	249,997	0.70	August 22, 2024
200,000	200,000	0.25	September 15, 2024
140,000	140,000	0.075	October 2, 2024
700,000	700,000	0.15	December 1, 2024
3,200,000	3,200,000	0.25	March 2, 2025
800,000	800,000	0.15	July 1, 2025
640,000	640,000	1.00	February 4, 2026
1,250,000	1,250,000	0.70	February 14, 2027
2,800,000	933,333	0.82	January 20, 2028
9,979,997	**8,113,330**		

As at December 31, 2023, the Company has 429,000 options subject to escrow pursuant to the requirements of the TSX-V, which will be released through January 2024.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES (continued)

Restricted Share Units

The Company's omnibus share incentive plan provides for the issuance of restricted share units ("RSUs") to its officers, directors, employees and consultants. Upon vesting, the holder of an RSU award can elect to receive one common share or the equivalent cash payment based on the market price of the common share on settlement.

In September 2022, 1,000,000 RSUs vested at a total value of $690,000 and the Company paid $586,500 in cash and issued 150,000 shares at $0.69 per share. During the year ended December 31, 2022, the Company recorded share-based compensation expense of $79,544. As at December 31, 2022, the Company has a RSU liability of $nil.

RSU transactions are summarized as follows:

	Number of RSUs
Balance, December 31, 2021	1,000,000
Vested	(1,000,000)
Balance, December 31, 2022 and 2023	-

Share Purchase Warrants

During the year ended December 31, 2022, 197,410 warrants expired unexercised, as a result, the Company reclassified $123,183 attributed to these warrants from reserves to share capital.

During the year ended December 31, 2023, 428,571 warrants expired unexercised, as a result, the Company reclassified $320,901 attributed to these warrants from reserves to retained earnings.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Balance, December 31, 2021	1,625,975	0.74
Expired	(197,410)	1.00
Balance, December 31, 2022	1,428,565	0.70
Expired	(428,571)	0.70
Balance, December 31, 2023	**999,994**	0.70

A summary of the warrants outstanding and exercisable at December 31, 2023 is as follows:

Number of Warrants	Exercise Price	Expiry Date
	$	
999,994	0.70	March 19, 2024

(Expressed in Canadian Dollars)

12. EARNINGS (LOSS) PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings per common share:

	For the year ended December 31,	
	2023	**2022**
Numerator		
Income (loss) for the year	$ (4,415,379)	$ 16,240,960
Denominator		
For basic-weighted average number of common shares outstanding	63,063,580	54,741,225
Effect of dilutive stock options, warrants and restricted share units	-	4,360,985
For diluted weighted average number of common shares outstanding	63,063,580	59,102,210
Earnings (loss) per common share		
Basic	$ (0.07)	$ 0.30
Diluted	$ (0.07)	$ 0.27

13. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2023, the Company entered into the following transactions with related parties, not disclosed elsewhere in the consolidated financial statements.

- The Company earned revenue of $50,366 (2022 - $4,620) and rent reimbursement of $15,353 (2022 - $nil) from a company related by way of a common officer and a common director. As at December 31, 2023, $2,075 (2022 - $nil) was included in receivables owing from this company.
- The Company received rent reimbursement of $6,300 (2022 - $nil) from Prospector.
- As at December 31, 2023, $238,617 (2022 - $264,282) was included in accounts payable and accrued liabilities owing to officers and director of the Company in relation to salaries and benefits and reimbursement of expenses.

During the year ended December 31, 2022, the Company completed the option agreement with Li-FT, a company related by way of a former common officer, and received cash payments of $200,000 and 1,751,913 common shares of Li-FT. In addition, the Company earned revenue of $223,340 from Li-FT.

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and corporate officers and related companies. Summary of key management personnel compensation (includes officers and directors of the Company) is as follows:

	For the year ended December 31,	
	2023	**2022**
	$	**$**
Management fees	66,000	87,000
Salaries and benefits	923,000	888,834
Share-based compensation	1,056,535	641,560
	2,045,535	**1,617,394**

14. FINANCIAL INSTRUMENTS

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 – Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumption that market participants would use in pricing.

The fair value of the Company's cash and cash equivalents, receivables, accounts payable and accrued liabilities, and advances received approximates their carrying values. The Company's listed company investments are measured at fair value using Level 1 inputs. The Company's private company investments and investments in warrants are measured at fair value using Level 3 inputs. The carrying value of the Company's lease liability is measured at the present value of the discounted future cash flows.

For Level 3 inputs, specific valuation techniques used to fair value financial instruments, specifically those that are not quoted in an active market, as such the Company utilized a market approach:

- The use of quoted market prices in active or other public markets.
- The use of most recent transactions of similar instruments.
- Changes in expected technical milestones of the investee.
- Changes in management, strategy, litigation matters or other internal matters.
- Significant changes in the results of the investee compared with the budget, plan, or milestone.

As at December 31, 2023, the Company's private company equity investments of $1,747,149 (2022 - $1,077,248) were recorded at fair value based on the most recent equity transactions of the private companies. There were no transfers between levels 2 and 3 during the year ended December 31, 2022 and 2023.

<u>Financial Risk Factors</u>

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Currency risk
Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at December 31, 2023, the Company had a foreign currency net monetary asset position of approximately US$229,000. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately $22,900.

14. FINANCIAL INSTRUMENTS (continued)

b) Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's cash and cash equivalents is held in a large Canadian financial institution. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk. The Company's sales tax receivable is due from the Government of Canada and Revenue Quebec therefore, the credit risk exposure is low.

As at December 31, 2023, the maximum exposure to credit risk is the carrying value of the trade accounts receivable. The Company has not provided for an expected credit loss as management believes the receivables are fully collectible.

c) Interest rate risk
The Company has cash and cash equivalents balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks or credit unions.

d) Commodity price risk
The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of gold. The Company monitors metals prices to determine the appropriate course of action to be taken.

e) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board are actively involved in the review, planning, and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

f) Market price risk
Market price 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.

15. CAPITAL MANAGEMENT

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is currently unable to self-finance its operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable. The Company's share capital is not subject to any external restrictions and the Company did not change its approach to capital management during the year.

(Expressed in Canadian Dollars)

16. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	For the year ended December 31,	
	2023	2022
	$	$
Non-cash transactions		
Exploration and evaluation asset expenditures in accounts payable	495,092	633,624
Recognition of right-of-use asset and lease liability	323,268	-
Shares issued for exploration and evaluation assets	100,000	48,241
Options exercised	37,617	9,293
Options cancelled	14,942	126,548
Warrants expired	320,901	123,183
Value of shares received on sale of mineral properties	2,914,629	-
Shares issued for restricted share units vested	-	103,500

17. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of mineral properties. Geographic information is as follows:

	As at December 31, 2023		
	Canada	USA	Total
	$	$	$
Exploration and evaluation assets	8,992,620	8,108,899	17,101,519
Equipment	42,253	-	42,253
Right-of-use asset	276,124	-	276,124
	9,310,997	8,108,899	17,419,896

	As at December 31, 2022		
	Canada	USA	Total
	$	$	$
Exploration and evaluation assets	5,724,335	7,901,774	13,626,109
Equipment	17,468	-	17,468
	5,741,803	7,901,774	13,643,577

(Expressed in Canadian Dollars)

18. INCOME TAXES

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

	2023	2022
	$	$
Income (loss) for the year	(4,375,531)	18,955,568
Expected tax	(1,160,000)	5,023,000
Change in statutory, foreign tax, foreign exchange rates and other	(152)	243,608
Permanent differences	1,320,000	(2,027,000)
Share issuance cost	-	(74,000)
Adjustment to prior years provision versus statutory tax returns	(120,000)	(9,000)
Change in unrecognized deductible temporary differences	-	(442,000)
Total Income tax expense	**39,848**	**2,714,608**
Current income tax expense	678,848	389,608
Deferred income tax expense (recovery)	(639,000)	2,325,000
Total Income tax expense	**39,848**	**2,714,608**

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2023	2022
	$	$
Deferred tax assets (liabilities)		
Equipment	-	(1,000)
Exploration and evaluation assets	(1,959,000)	(1,093,000)
Investments	307,000	(1,186,000)
Investment in associates	(92,000)	(133,000)
Share issuance costs	50,000	73,000
Non-capital losses	8,000	15,000
Net deferred tax liabilities	**(1,686,000)**	**(2,325,000)**

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

	2023	Expiry Date Range	2022	Expiry Date Range
	$		$	
Temporary Differences				
Non-capital losses available for future periods				
USA	88,000	No expiry date	85,000	No expiry date

19. SUBSEQUENT EVENTS

a) In January 2024, the Company granted 2,180,000 stock options to directors, officers, employees and consultant exercisable at a price of $0.75 for a period of five years. The options vest one-third immediately, followed by one-third every year thereafter.

(Expressed in Canadian Dollars)

19. SUBSEQUENT EVENTS (continued)

b) In January 2024, the Company entered into two option agreements with certain arm's length vendors to acquire a 100% interest in the Stormy Project and the Goldstorm Project located in Ontario, Canada. Pursuant to the agreements, the terms are as follows:

Stormy Project

	Cash payment ($)	Common shares ($)
Upon extension of the claim anniversary by 12 months	25,000	-
1st anniversary	25,000	25,000
2nd anniversary	30,000	30,000
3rd anniversary	37,500	37,500
4th anniversary	50,000	50,000
Total Requirement	**167,500**	**142,500**

Additionally, the Company will grant a 1.5% net smelter return royalty on the Stormy Project with a 0.5% buyback provision, exercisable by the one-time payment of $1,000,000 in cash.

Goldstorm Project

	Cash payment ($)	Common shares ($)
Upon execution of agreement	(paid) 50,000	
Upon extension of the claim anniversary by 9 months	-	(issued) 150,000
1st anniversary	50,000	150,000
2nd anniversary	100,000	150,000
3rd anniversary	150,000	150,000
Total Requirement	**350,000**	**600,000**

Additionally, the Company will grant a 1.5% net smelter return royalty on the Goldstorm Project with a 0.5% buyback provision, exercisable by the one-time payment of $1,000,000 in cash.

c) In January 2024, the Company received 1,459,918 shares of Targa at a fair value of $0.115 per share in connection with the option agreement of the Targa Projects entered in October 2022 (Note 6).

d) In February 2024, the Company completed the exchange with SMMCL of the Company's 20% participating interest in the Frotet Project for a 4.0% NSR on all minerals extracted from the Frotet Project (the "Frotet Royalty"). As a result of the transaction, SMMCL owns 100% of the Frotet Project and the joint venture agreement dated April 17, 2018 between the Company and SMMCL is now terminated. The Frotet Royalty is subject to the following buy down rights:

- A 0.25% royalty interest may be purchased for a $3,000,000 cash payment to the Company within five years of the grant of the Frotet Royalty upon the closing of the transaction.
- A 0.50% royalty interest may be purchased for a $10,000,000 cash payment to the Company within ten years of the grant of the Frotet Royalty upon the closing of the transaction, provided Sumitomo has exercised the first buy down right.

In the event SMMCL exercises the buy down rights, the Frotet Royalty would be reduced to an uncapped 3.25% net smelter return royalty on all minerals extracted from the Project. Kenorland will remain the operator of the Project for at least one year following the transaction to facilitate a successful transition of operatorship to SMMCL.

(Expressed in Canadian Dollars)

19. SUBSEQUENT EVENTS (continued)

e) In February 2024, the Company issued 91,484 shares to SMMCL at a weighted average price of $0.75 per share for proceeds of $68,730 in connection to the investor rights agreements as part of the strategic investment by SMMCL.

f) In February and March 2024, the Company issued 502,138 common shares in connection with the exercise of warrants for proceeds of $351,497.

g) In March 2024, the Company entered into three option agreements with certain arm's length vendors to acquire additional mining claims located in Ontario, Canada. Pursuant to the agreements, the terms are as follows:

Cash payments:

	First Agreement ($)	Second Agreement ($)	Third Agreement ($)
Upon execution or extension of the claim anniversary	20,000	30,000	25,000
1st anniversary	25,000	50,000	50,000
2nd anniversary	50,000	75,000	75,000
3rd anniversary	100,000	100,000	100,500
4th anniversary	-	150,000	150,000
Total Requirement	**195,000**	**405,000**	**400,500**

Additionally, each option agreement is subject to a 2.0% net smelter return royalty with a 1.0% buyback provision, exercisable by the one-time payment of $1,000,000 in cash, respectively.