



June 30, 2023 and 2022

Consolidated Financial Statements

(Expressed in Canadian Dollars)

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- Consolidated Statements of Changes in Shareholders' Equity
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Independent Auditor's Report

To the Shareholders of:
XIMEN MINING CORP.

Opinion

We have audited the consolidated financial statements of Ximen Mining Corp. ("the Company"), which comprise the consolidated statements of financial position as at June 30, 2023 and 2022 and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$4,944,272 during the year ended June 30, 2023, and as of that date, had accumulated losses since inception of \$45,947,429. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a key audit matter to be communicated in our report.

Assessment of Impairment Indicators for the Company's Property and Equipment (P&E)

Key Audit Matter Description

The net book value of P&E amounted to \$2.7 million as at June 30, 2023. Management evaluates each asset or cash generating unit at each reporting date to determine whether there are any indications of impairment. Management applies significant judgment in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in forecasted gold prices; (iii) changes in projected capital and operating costs; are evaluated by management in determining whether there are any indicators of impairment. If any such indicator exists, an estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. No impairment indicators were identified by management as at June 30, 2023.

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We considered this a key audit matter due to the significance of the P&E balance and the significant audit effort and subjectivity in applying audit procedures to assess the internal and external factors evaluated by management in its assessment of impairment indicators, which required significant management judgment. This resulted in a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating the audit evidence relating to management's judgment and estimates.

Audit Response

We responded to this matter by performing procedures over management's assessment of indicators of impairment. Our audit work in relation to this included, but was not restricted to, the following:

- Assessed the completeness of internal and external factors that could be considered as indicators of impairment of the Company's P&E, including consideration of evidence obtained in other areas of the audit.
- Assessed whether significant declines in the market value of the Company's share price have occurred, which may indicate a decline in value of the Company's net assets.
- Assessed the reasonableness of changes in projected capital and operating costs by comparing them to historical data and considered whether these factors were consistent with evidence obtained in other areas of the audit.



Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, 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, 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.

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

WDM

Chartered Professional Accountants

Vancouver, B.C.

October 27, 2023



Ximen Mining Corp.
Consolidated Statements of Financial Position
As at June 30, 2023 and 2022
(Expressed in Canadian Dollars)

	Note	2023 \$	2022 \$
ASSETS			
CURRENT			
Cash		3,864	453,309
GST Recoverable		43,911	66,160
Other Receivables	13	89,083	89,083
Marketable Securities	5	23,973	94,550
Prepaid Expenses and Deposits	6	87,534	599,000
		<u>248,365</u>	<u>1,302,102</u>
NON-CURRENT			
Reclamation Bonds	6	253,065	178,050
Property and Equipment	7	2,718,632	2,977,048
		<u>3,220,062</u>	<u>4,457,200</u>
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		867,239	318,405
Loan Payable	10	50,698	-
Flow-Through Share Premium Liability	11	161,675	742,291
Payable on Acquisition of Subsidiary	8,15	402,500	402,500
Due to Related Parties	13	288,006	12,275
		<u>1,770,118</u>	<u>1,475,471</u>
SHAREHOLDERS' EQUITY			
Share Capital	12	45,001,897	42,169,363
Share-Based Payment Reserve		2,303,051	1,785,184
Reserve – Accumulated Other Comprehensive Loss	8	(45,514)	(45,514)
Deficit		<u>(45,947,429)</u>	<u>(41,072,327)</u>
Equity Attributable to Ximen Mining Corp. Shareholders		1,312,005	2,836,706
Non-Controlling Interest	17	137,939	145,023
		<u>1,449,944</u>	<u>2,981,729</u>
		<u>3,220,062</u>	<u>4,457,200</u>

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Commitments (Note 15)
Subsequent Events (Note 20)

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

Approved on Behalf of the Board:

“Christopher Anderson”

Christopher Anderson, Director

“Scott Kent”

Scott Kent, Director

Ximen Mining Corp.

Consolidated Statements of Changes in Shareholders' Equity

For the Years Ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital \$	Share Subscriptions Received \$	Share- Based Payment Reserve \$	Accumulated Other Comprehensive Loss \$	Deficit \$	Non- Controlling Interest \$	Total Shareholders' Equity \$
Balance, June 30, 2021		74,607,861	35,960,384	2,500	2,128,684	(45,514)	(35,855,530)	154,047	2,344,571
Shares Issued for Cash, Net of Share Issuance Costs	12(b)	28,832,207	5,373,938	-	-	-	-	-	5,373,938
Shares Issued for Exploration and Evaluation Assets	12(b)	3,505,000	925,575	-	-	-	-	-	925,575
Fair Value of Warrants Issued	12(b)(e)	-	(12,000)	-	12,000	-	-	-	-
Fair Value of Agents' Warrants Issued	12(b)(f)(g)	-	(78,534)	-	78,534	-	-	-	-
Fair Value of Stock Options Expired	12(d)(g)	-	-	-	(178,892)	-	178,892	-	-
Fair Value of Warrants Expired	12(e)(g)	-	-	-	(200,000)	-	200,000	-	-
Fair Value of Agents' Warrants Expired	12(f)(g)	-	-	-	(55,142)	-	55,142	-	-
Share Subscription Refund	12(b)	-	-	(2,500)	-	-	-	-	(2,500)
Net Loss for the Year		-	-	-	-	-	(5,650,831)	(9,024)	(5,659,855)
Balance, June 30, 2022		106,945,068	42,169,363	-	1,785,184	(45,514)	(41,072,327)	145,023	2,981,729
Shares Issued for Cash, Net of Share Issuance Costs	12(b)	22,914,286	1,877,000	-	-	-	-	-	1,877,000
Shares Issued for Settlements of Debts	12(b)	1,655,043	124,128	-	-	-	-	-	124,128
Shares Issued on Exercise of Warrants	12(b)(e)	7,200,000	720,000	-	-	-	-	-	720,000
Fair Value of Agents' Warrants Issued	12(b)(f)(g)	-	(3,594)	-	3,594	-	-	-	-
Fair Value of Stock Options Expired	12(d)(g)	-	-	-	(8,460)	-	8,460	-	-
Fair Value of Stock Options Granted	12(d)(g)	-	-	-	576,359	-	-	-	576,359
Fair Value of Agents' Warrants Expired	12(f)(g)	-	-	-	(53,626)	-	53,626	-	-
Fair Value of RSUs Issued	12(b)(c)	1,000,000	115,000	-	-	-	-	-	115,000
Net Loss for the Year		-	-	-	-	-	(4,937,188)	(7,084)	(4,944,272)
Balance, June 30, 2023		139,714,397	45,001,897	-	2,303,051	(45,514)	(45,947,429)	137,939	1,449,944

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

Ximen Mining Corp.

Consolidated Statements of Comprehensive Loss

For the Years Ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

	Note	2023 \$	2022 \$
EXPENSES			
Advertising and Marketing		539,008	733,194
Audit and Legal		73,478	67,235
Bank Charges and Interest		24,398	3,650
Consulting		1,400	73,765
Depreciation	7	403,225	378,770
Exploration and Evaluation Expenditures	9	2,791,042	3,568,349
Insurance		14,950	17,400
Management	13(c)	243,396	243,037
Office and Administration	13(c)	458,437	286,601
Regulatory Fees and Transfer Agent		52,595	56,548
Rent		116,400	74,400
Stock-Based Compensation	12(c)(g)	691,359	-
Travel and Accommodation		132,097	114,091
		<hr/>	<hr/>
LOSS BEFORE OTHER ITEMS		(5,541,785)	(5,617,040)
Fair Value Change of Marketable Securities	5	(169,977)	(60,070)
Gain on Debt Settlement	12(b)(i)	124,128	-
Gain on Sale of Equipment	7	-	9,026
Gain on Write-off Accounts Payable		746	-
Gain (Loss) on Sale of Marketable Securities		20,000	(700)
Reversal of Flow-Through Share Premium Liability	11	622,616	8,929
		<hr/>	<hr/>
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(4,944,272)	(5,659,855)
		<hr/>	<hr/>
Attributable to the Shareholders		(4,937,188)	(5,650,831)
Attributable to the Non-Controlling Interest		(7,084)	(9,024)
		<hr/>	<hr/>
		(4,944,272)	(5,659,855)
		<hr/>	<hr/>
Basic and Diluted Loss Per Share		(0.04)	(0.06)
		<hr/>	<hr/>
Weighted Average Number of Common Shares Outstanding		123,185,937	91,114,405
		<hr/>	<hr/>

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

Ximen Mining Corp.

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

	2023	2022
	\$	\$
CASH PROVIDED FROM (UTILIZED FOR):		
OPERATING ACTIVITIES		
Net Loss for the Year	(4,944,272)	(5,659,855)
Non-Cash Items:		
Depreciation	403,225	378,770
Shares Issued for Exploration and Evaluation Expenditures	-	925,575
Gain on Debt Settlement	(124,128)	-
Exploration Advance Reversal	-	21,500
Shares Received as an Option Payment on Properties	(159,000)	(75,000)
Stock-Based Compensation	691,359	-
Fair Value Change of Marketable Securities	169,977	60,070
Gain on Write-off Accounts Payable	(746)	-
Gain on Sale of Equipment	-	(9,026)
(Gain) Loss on Sale of Marketable Securities	(20,000)	700
Reversal of Flow-Through Share Premium Liability	(622,616)	(8,929)
	<u>(4,606,201)</u>	<u>(4,366,195)</u>
Change in Non-Cash Working Capital Accounts:		
GST Recoverable	22,250	5,011
Prepaid Expenses and Deposits	511,466	(509,000)
Other Receivable	-	3,000
Accounts Payables and Accrued Liabilities	797,837	211,157
Due to (from) Related Parties	275,730	(38,010)
	<u>(2,998,918)</u>	<u>(4,694,037)</u>
INVESTING ACTIVITIES		
Proceeds from Sale of Marketable Securities	79,600	39,600
Purchase of Vehicles and Equipment	(144,809)	(744,678)
Reclamation Bonds	(75,015)	(73,750)
	<u>(140,224)</u>	<u>(778,828)</u>
FINANCING ACTIVITIES		
Proceeds from Issuance of Shares, Net of Share Issuance Costs	1,918,999	6,116,229
Proceeds from Exercise of Share Purchase Warrants	720,000	-
Loan Proceeds (Repayments) (Net)	50,698	(200,000)
	<u>2,689,697</u>	<u>5,916,229</u>
(DECREASE) INCREASE IN CASH	(449,445)	443,364
Cash, Beginning of the Year	<u>453,309</u>	<u>9,945</u>
CASH, END OF THE YEAR	<u>3,864</u>	<u>453,309</u>

Supplementary Cash Flow Information (Note 14)

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

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

(Expressed in Canadian Dollars)

NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Ximen Mining Corp. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on December 4, 2006. The Company is currently engaged in the acquisition, exploration, and evaluation of its mineral property interests located in British Columbia. The Company’s shares are listed on the TSX-V Exchange (“TSX-V”) under the symbol XIM, on the Frankfurt Exchange under the symbol A1W2EG, and on the US OTCQX, under the symbol XXMMF. The head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

The Company is in the process of exploring and developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves, and upon future production or proceeds from the disposition thereof.

These consolidated financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, 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. Accordingly, it does not give effect to adjustments that, if any, would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the consolidated financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at June 30, 2023, the Company has an accumulated deficit of \$45,947,429 (2022 – \$41,072,327) and working capital deficiency of \$1,521,753 (2022-\$173,369). The Company’s ability to continue operations is dependent upon the financial support from its shareholders and other parties, its ability to obtain additional financing, the existence of economically recoverable reserves, the attainment of profitable operations, and sufficient proceeds from disposition of properties. The outcome of these matters cannot be predicted at this time. While management has been successful in obtaining sufficient funding for its operating, capital development, and exploration requirements from the inception of the Company to date, there is no assurance that additional future funding will be available to the Company or on terms that are acceptable to management.

The current cash resources are not adequate to pay the Company’s accounts payable and to meet its minimum commitments at the date of these consolidated financial statements, including planned corporate and administrative expenses, and other project implementation costs; accordingly, there is significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

These audited consolidated financial statements were approved and authorized for issue by the Board of Directors on October 27, 2023.

b) Basis of Consolidation

These consolidated financial statements include the accounts of its subsidiary (collectively, the “Company”). Intercompany balances and transactions are eliminated in preparing these consolidated financial statements. The net assets and net profit attributable to outside shareholders are presented as amounts attributable to non-controlling interest in the consolidated statements of financial position and consolidated statements of comprehensive loss.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

(Expressed in Canadian Dollars)

The following companies have been consolidated within these consolidated financial statements:

Entity	Country of Incorporation	Ownership	Functional Currency
Ximen Mining Corp.	Canada	Parent Company	Canadian Dollar
0995237 B.C. Ltd.	Canada	95%	Canadian Dollar

c) Business Combinations and Asset Acquisitions

Acquisitions of businesses are accounted for using the acquisition method. The cost of a business combination is measured as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree. The Company recognizes identifiable assets acquired and liabilities assumed at their acquisition-date fair values. Acquisition related costs are expensed to profit or loss.

Acquisitions that do not meet the definition of a business combination are accounted for as an asset acquisition. The cost of an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

d) Reclamation Bonds

Reclamation bonds are recorded at amortized cost and held by Canadian government agencies or in trust.

e) Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of equipment, less their estimated residual value, using the declining balance method, as follows:

Vehicles	20%
Building	3.33%
Equipment	20%
Office Furniture	20%

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

f) Impairment of Non-Current Assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset's or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

(Expressed in Canadian Dollars)

g) Exploration and Evaluation Assets

Expenditures related to the acquisition, exploration, and development of exploration and evaluation assets are expensed and charged to earnings in the period in which they are incurred. Any option payments received by the Company from third parties or tax credits refunded to the Company are charged against exploration expenses in the consolidated statements of comprehensive loss.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

h) Provisions

(i) Decommissioning and Restoration Provision

Future obligations to retire an asset, including dismantling, remediation, and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit-adjusted risk-free rate. This decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The provision is accreted to full value over time through periodic charges to profit. This unwinding of the discount is charged to financing expense in the consolidated statements of comprehensive loss.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision is only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

As at June 30, 2023 and 2022, the Company has no material decommissioning and restoration provision.

(ii) Other Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate.

i) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs.

Proceeds from the issue of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants.

Shares issued for other than cash consideration are valued at the quoted price on the TSX-V Exchange based on the date the shares are issued.

j) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is antidilutive.

k) Flow-Through Shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares.

To account for flow-through units, on issuance, the Company allocates flow-through share proceeds into i) share capital, equal to the market value of the shares, ii) a flow-through share premium liability, equal to the estimated premium investors pay for the flow-through feature, and iii) reserve for warrants, equal to the remaining proceeds received.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

June 30, 2023 and 2022

(Expressed in Canadian Dollars)

The amount recorded as a liability relating to the sale of tax benefits is reversed when the tax benefits are renounced. The difference between the amount originally recorded as a liability and the estimated income tax benefits on date of renunciation is recognized in profit or loss. The tax effect of the renunciation is recorded at the time the Company makes the renunciation, which may differ from the effective date of renunciation.

l) Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period. Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

m) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's consolidated statements of financial position include 'Share Subscriptions Received', 'Share-based Payment Reserve', and 'Deficit'.

- 'Share Subscriptions Received' is used to recognize the value of cash received towards share subscriptions that have not been issued by year-end.
- 'Share-based Payment Reserve' is used to recognize the fair value of stock option grants and warrants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.
- 'Deficit' is used to record the Company's change in deficit from earnings from period to period and to recognize the fair value of stock option grants and warrants after expiry or cancellation.

n) Refundable Mining Tax Credits

The Company qualifies for refundable mining tax credits on eligible mining exploration expenditures incurred in the Province of British Columbia, Canada. This tax credit is applied against exploration expenditures incurred and recorded as tax credit receivable when the terms and conditions of the government mineral exploration assistance program have been complied with, the credit can be reasonably estimated, and collection is reasonably assured.

o) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

p) Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

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

The following table shows the classification under IFRS 9:

Financial assets/liabilities:	Classification IFRS 9:
Cash	Amortized cost
Other Receivables	Amortized cost
Marketable Securities	FVTPL
Accounts Payable and Accrued Liabilities	Amortized cost
Due to Related Parties	Amortized cost
Loan Payable	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

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

(iii) Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Ximen Mining Corp.

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(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

q) Non-Controlling Interest

Non-controlling interest in the Company's residual ownership interest in a controlled subsidiary is classified as a separate component of equity. On initial recognition, non-controlling interest is measured at the fair value of the non-controlling entity's contribution into the related subsidiary. Subsequent to the original transaction date, adjustments are made to the carrying amount of non-controlling interest for the non-controlling interest's share of changes to the subsidiary's equity.

NOTE 3 – NEW ACCOUNTING STANDARDS ISSUED

Several new standards, and amendments to standards and interpretations, are not yet effective for the year ended June 30, 2023, and have not been applied in preparing these consolidated financial statements. None are currently considered by the Company to be significant or likely to have a material impact on future consolidated financial statements.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant areas where management's judgment has been applied include the following:

- Classifying categories of financial assets and financial liabilities in accordance with IFRS 9, Financial instruments: recognition and measurement.
- The recoverability of the carrying value of mineral property interests is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest; and
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods.

Significant areas requiring the use of management estimates and assumptions include the following:

a) Useful Lives of Property and Equipment

Management reviews the useful lives of property and equipment at each reporting date, based on the expected utility of these assets to the Company. Actual useful lives of these assets may differ from the estimate.

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

b) Business Combinations and Asset Acquisitions

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates will affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognized in the consolidated statements of comprehensive loss in the subsequent period.

c) Impairment of Non-Current Assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

d) Deferred Tax Assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets.

e) Share-Based Compensation

The fair value of stock-based compensation is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

NOTE 5 – MARKETABLE SECURITIES

Marketable securities consist of a portfolio of investments held for trading. The fair value of the marketable securities has been determined directly by reference to public price quotations in an active market. These marketable securities are comprised of common shares of publicly traded companies and are classified as fair value through profit or loss and measured at fair value with unrealized gains and losses recognized through the consolidated statements of comprehensive loss.

	2023	2022
	\$	\$
Opening Balance	94,550	119,920
Marketable Securities Received (Property Option Payment)	159,000	75,000
Marketable Securities Sold (at Cost)	(59,600)	(40,300)
Fair Value Change of Marketable Securities	(169,977)	(60,070)
	<u>23,973</u>	<u>94,550</u>

Ximen Mining Corp.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

NOTE 6 – PREPAID EXPENSES, DEPOSITS, AND RECLAMATION BONDS

	2023	2022
	\$	\$
Prepaid Expenses	35,534	455,000
Deposits	52,000	50,000
Advance on Exploration	-	94,000
	<u>87,534</u>	<u>599,000</u>

As at June 30, 2023, the Company had \$35,534 in marketing, office and administration advance payments, and \$52,000 in deposits.

Reclamation Bonds	<u>253,065</u>	<u>178,050</u>
	<u>253,065</u>	<u>178,050</u>

The Company posts non-interest-bearing reclamation bonds against any potential land restoration costs that may be incurred in the future on its mineral properties. The funds are held in trust and may be released after required reclamation is satisfactorily completed.

As at June 30, 2023, the amount on deposit was \$253,065 (2022 – \$178,050) with respect to the Brett Property (\$31,000), Gold Drop Property (\$16,500), Treasure Mountain Property (\$5,000), Providence Property (\$15,000), Kenville Property (\$103,815), Amelia (\$31,700), California (\$8,350), Bud Elk (\$24,700), and Wild Horse (\$17,000).

NOTE 7 – PROPERTY AND EQUIPMENT

	Vehicles	Property and Equipment	Office Furniture	Surface Rights	Total
	\$	\$	\$	\$	\$
COST					
Balance, June 30, 2021	559,875	2,442,766	23,654	100,000	3,126,295
Additions	-	722,885	17,432	4,361	744,678
Disposals	-	(133,790)	-	-	(133,790)
Balance, June 30, 2022	559,875	3,031,861	41,086	104,361	3,737,183
Additions	55,000	84,809	5,000	-	144,809
Balance, June 30, 2023	<u>614,875</u>	<u>3,116,670</u>	<u>46,086</u>	<u>104,361</u>	<u>3,881,992</u>
ACCUMULATED DEPRECIATION					
Balance, June 30, 2021	110,119	306,130	7,932	-	424,181
Depreciation	89,952	283,730	5,088	-	378,770
Disposal	-	(42,816)	-	-	(42,816)
Balance, June 30, 2022	200,071	547,044	13,020	-	760,135
Depreciation	82,956	314,407	5,862	-	403,225
Balance, June 30, 2023	<u>283,027</u>	<u>861,451</u>	<u>18,882</u>	<u>-</u>	<u>1,163,360</u>
NET BOOK VALUE					
Balance, June 30, 2022	<u>359,804</u>	<u>2,484,817</u>	<u>28,066</u>	<u>104,361</u>	<u>2,977,048</u>
Balance, June 30, 2023	<u>331,848</u>	<u>2,255,219</u>	<u>27,204</u>	<u>104,361</u>	<u>2,718,632</u>

Ximen Mining Corp.

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NOTE 8 – INVESTMENT IN KENVILLE GOLD MINE AND PROPERTY

In April and May 2019, the Company entered into various agreements whereby it acquired approximately 78% of the issued and outstanding shares of 0995237 B.C. Ltd (“099 BC”), a private arm’s length company, in exchange for common shares and future cash payments by the Company. The principal asset of 099 BC is its option to acquire the Kenville Gold Mine, located west of Nelson, B.C.

Acquisition of Subsidiary – 0995237 B.C. Ltd.

In May 2019, the Company issued a total of 3,528,769 common shares from treasury (approximately 10.62% of the Company’s total issued and outstanding common shares) for common shares and notes payable of 099 BC as follows:

- (i) 2,253,769 common shares of the Company, fair valued at \$1,115,616, to former shareholders of 099 BC in exchange for 43,261,811 common shares of 099 BC, representing 78% of the total outstanding common shares of 099 BC (the “78% Interest”).
- (ii) 1,275,000 common shares of the Company, fair valued at \$631,125, to a former shareholder of 099 BC in exchange for his promissory note receivable from 099 BC – principal amount of \$1,000,000 plus accrued interest receivable of \$118,388, for total face value of \$1,118,388. The excess of the total face value of the note and interest over the fair value of the Company’s shares issued, \$487,263, is recognized as gain on assumption of the promissory note.

The Company also has additional obligations as it acquired the following payables of 099 BC from a former shareholder of 099 BC as follows:

- (iii) Cash payable of \$980,000 in exchange for 099 BC note payable with a face value of \$1,957,865. The excess of the face value of the note payable over the future cash payment, \$977,865, was recognized as gain on assumption of the promissory note payable in 2019. This future cash payment is unsecured, non-interest bearing, and includes repayment dates (Note 15).
- (iv) Cash payable of \$400,000 in exchange for the same amount of debt owed to a former shareholder of 099 BC who paid for mining equipment owned by 099 BC. This future cash payment is unsecured, non-interest bearing, and includes repayment dates (Note 15).
- (v) Assumption of debt totaling \$270,000 to two former shareholders of 099 BC by 099 BC. This amount was incurred on exploration expenditures related to Kenville property.

The following table summarizes the recognized fair value amounts of assets acquired and liabilities assumed on May 30, 2019, the date of acquisition of 78% interest in 099 BC:

	\$
Cash	11,552
Term Deposit (Reclamation Bond)	45,800
GST Recoverable	3,451
Property	984,200
Equipment purchase	708,262
Accounts Payable	(400,793)
Promissory Notes Payable (8(ii)(iii))	(3,076,253)
Royalty Option Payable	(220,000)
Shareholder Advances (8(v))	(79,000)
	<hr/>
Net Liabilities of 0995237 B.C. Ltd.	<u>(2,022,781)</u>

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(Expressed in Canadian Dollars)

The acquisition of 78% interest of 099 BC by the Company does not meet the requirement of IFRS 3, Business Combinations. As such, this acquisition was accounted for under IFRS 6, Exploration and Evaluation of Mineral Resources. The premium of the consideration paid by the Company over the net liabilities of the acquired 099 BC was expensed as exploration and evaluation expenditures as the Company's accounting policy is expensing both the acquisition costs and exploration costs during the period when the expenditures were incurred.

The fair value of the consideration given by the Company for the 78% controlling interest in 099 BC, was \$1,115,616, (2,253,769 common shares issued at \$0.495 per share). The fair value of the 22% non-controlling interest in 099 BC was therefore valued at \$314,661, using the 78% valuation amount. Accordingly, the premium in the amount of \$3,453,057, comprising the fair value of the shares issued by the Company plus the fair value of the 22% non-controlling interest, totaling \$1,430,277, over the fair value of the net liabilities of 0995237 BC Ltd. acquired by the Company, were recognized as exploration and evaluation expenditures for 2019.

On July 3, 2019, as part of the acquisition of 099 BC, the Company acquired an additional 4,733,320 shares of 099 BC by issuing 236,666 common shares to shareholders of 099 BC. On June 8, 2020, the Company acquired an additional 400,000 shares of 099 BC by issuing 20,000 common shares. The additional shares purchased brings the total percentage owned of 099 BC from 78% to 88%.

The fair value of the consideration given by the Company for the additional 10% of non-controlling interest was \$167,033 including \$153,833 (236,666 common shares issued at \$0.65 per share) and \$13,200 (20,000 common shares issued at \$0.66 per share). The carrying value of the additional 10% non-controlling interest was \$122,822 prior to the acquisition of this non-controlling interest by the Company. The difference between the fair value of the consideration paid by the Company (\$167,033) and the carrying value (\$122,822), \$44,211, was charged to other comprehensive loss in 2020.

On July 7, 2020, the Company acquired a further 66,667 shares of 099 BC by issuing 3,334 shares, fair valued at \$1,500, and in addition, 099 BC cancelled 4,000,000 shares, representing 7% of non-controlling interest. The difference between the fair value of the consideration paid and the carrying value is \$1,303 which was charged to other comprehensive loss.

Acquisition of Royalty Option from Gungnir Resources Inc.

On April 25, 2019, the Company entered into a royalty option agreement with Gungnir Resources Inc. ("Gungnir") to acquire Gungnir's receivable from 099 BC in the amount of \$220,000 and all of Gungnir's remaining interest in its 4% gross metal royalty over 099 BC owned Kenville Gold Mine Property for total consideration of \$1,700,000. The option is exercisable at the Company's sole discretion. To exercise the option under the option agreement, the Company is required to pay the \$1,700,000 as follows:

- \$500,000 in cash (paid);
- \$200,000 in common shares of Ximen (285,918 shares issued fair valued at \$142,959);
- \$1,000,000 in cash, to be paid on or before October 31, 2019 (paid).

The exercise of the option is conditional on Ximen paying the full purchase price as set out above and receipt of TSX-V approval. TSX-V approved the transaction on May 24, 2019.

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NOTE 9 – EXPLORATION AND EVALUATION EXPENDITURES

Cumulative acquisition and exploration costs incurred by the Company to June 30, 2023, are summarized below:

	Brett (a) \$	Gold Drop (b) \$	Treasure Mountain (c) \$	Kenville, Cararmelia, (d)(e) \$	Bouleau; Dentonia; Providence, (f)(g)(h) \$	Various (i) to (v) \$	General Exploration \$	Total \$
Balance, June 30, 2021	5,738,774	416,984	236,284	6,812,480	1,185,720	3,702,058	349,834	18,442,134
Acquisition Costs	-	-	18,897	-	-	975,890	6,068	1,000,855
Exploration Costs	319,519	-	-	1,331,096	27,714	670,288	272,376	2,620,993
Exploration Reversal	-	21,500	-	-	-	-	-	21,500
Option payments received	-	-	(75,000)	-	-	-	-	(75,000)
	319,519	21,500	(56,103)	1,331,096	27,714	1,646,178	278,444	3,568,348
Balance, June 30, 2022	6,058,293	438,484	180,181	8,143,576	1,213,434	5,348,236	628,278	22,010,482
Acquisition Costs	-	-	-	2,330	-	440,000	-	442,330
Exploration Costs	181,384	-	88,942	1,167,863	308	612,510	456,705	2,507,712
Exploration Reversal	-	-	-	-	-	-	-	-
Option payments received	-	(159,000)	-	-	-	-	-	(159,000)
	181,384	(159,000)	88,942	1,170,193	308	1,052,510	456,705	2,791,042
Balance, June 30, 2023	6,239,677	279,484	269,123	9,313,769	1,213,742	6,400,746	1,084,983	24,801,524

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. All properties are located in Canada.

a) Brett Property, British Columbia, Canada

On December 3, 2013, the Company entered into an option agreement to acquire a 100% interest in the Brett Gold Project situated in the North Okanagan region of southwest British Columbia approximately 29 kilometers west of Vernon. Under the terms of the agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling \$1,000,000, issuing 200,000 common shares, and issuing additional common shares of the Company with an aggregate deemed value of \$350,000 as follows:

		Number of Shares	Cash \$
On execution of agreement	(Paid)	-	50,000
By December 18, 2013	(Paid)	-	50,000
By December 23, 2013	(Issued – fair valued at \$290,000)	200,000	-
By January 17, 2014	(Paid)	-	200,000
By January 05, 2015	(Paid)	-	300,000
By January 05, 2015	(Issued – fair valued at \$126,000)	140,000	-
By December 03, 2015	(Paid)	-	400,000
By December 03, 2015	(Issued – fair valued at \$166,667)	666,667	-
		1,006,667	1,000,000

The Company has earned a 100% undivided interest as it has complied with all the terms of the option agreement.

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On January 24, 2014, the Company entered into an option agreement to acquire a 100% interest in the 2% net smelter royalty (“NSR”) on the Brett Gold Project. The agreement was amended on February 14, 2017 and May 17, 2017 under the following amended terms: the issuance of \$50,000 worth of the Company’s common shares based on a ten day weighted average upon signing of the amended agreement, the issuance of \$420,000 worth of the Company’s common shares upon TSX-V approval of the amended agreement, the payment or issuance of \$60,000 in cash or common shares of the Company on February 18, 2018 and \$75,000 on February 18, 2019, and final cash payment of \$830,000 payable by February 20, 2020.

On December 4, 2018, the agreement was further amended whereby the outstanding amount of \$905,000 would be made in a final payment of 2,400,000 shares at a deemed price of \$0.30 for a total of \$720,000 thereby completing any and all payments. TSX-V approval was received on December 7, 2018. The fair value recognized of \$912,000 was based on the closing quoted price of the Company’s shares at the date of issuance.

		Number of Shares	Cash \$
By February 20, 2014	(Issued – fair valued at \$30,000)	20,000	-
By February 20, 2015	(Issued – fair valued at \$49,077)	51,660	-
By February 20, 2016	(Issued – fair valued at \$67,739)	225,800	-
By February 18, 2017	(Issued – fair valued at \$56,601)	125,780	-
Upon TSX-V Approval	(Issued – fair valued at \$210,000)	1,200,000	-
By February 18, 2018	(Issued – fair valued at \$59,993)	352,900	-
By December 7, 2018	(Issued – fair valued at \$912,000)	2,400,000	-
		<u>4,376,140</u>	<u>-</u>

b) Gold Drop Property, British Columbia, Canada

On November 27, 2013, the Company entered into an option agreement to acquire a 100% interest in the Gold Drop Property located about 9 kilometers northeast from Greenwood, British Columbia, in the Greenwood Gold Mining district. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling \$170,000, and issuing an aggregate of 150,000 common shares as follows:

		Number of Shares	Cash \$
On November 27, 2013	(Paid)	-	25,000
On February 23, 2014	(Issued – fair valued at \$49,500, and paid)	30,000	15,000
By February 24, 2015	(Issued – fair valued at \$120,000, and paid)	50,000	60,000
By February 24, 2016	(Issued – fair valued at \$168,000, and paid)	70,000	70,000
		<u>150,000</u>	<u>170,000</u>

During the year ended June 30, 2016, the Company earned a 100% undivided interest by making the final cash payment of \$70,000, therefore, complying with all the terms of the option agreement.

On June 21, 2016, the Company entered into an option agreement with GGX Gold Corp. (“GGX”) to sell its 100% interest in the Gold Drop Property. GGX is required to make cash option payments totalling \$400,000, issue 1,000,000 common shares, issue additional common shares with a fair value of \$450,000, and incur exploration expenditures on the property as follows:

Cash Payments:

- \$50,000 on execution of the agreement (received);
- \$50,000 within five business day following the approval by TSX-V (received); and
- \$100,000 on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019 (received).

Share Payments:

- 1,000,000 common shares within five business days following the approval by TSX-V (received); and
- Additional common shares with a fair value of \$150,000 per year on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019 (received).

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Exploration Expenditures:

- A minimum of \$1,000,000 on the property on or before July 26, 2019, but not less than \$150,000 per year on the property on or before July 26, 2017, July 26, 2018, and July 26, 2019.

The option agreement was completed in the year ended June 30, 2020.

The Company will retain a 2.5% net smelter return royalty (the “NSR Royalty”) which GGX may buy down 1% of the NSR Royalty by paying \$1,000,000 to the Company. Upon completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with GGX by paying to GGX the amount of money equal to 30% of the total amount expended on the Property by GGX.

If the Company exercises this joint venture right, the Company and GGX will enter into a joint venture for the exploration and development of the Property.

The transaction was approved by TSX-V on July 26, 2016. The Company and GGX have a common director and officer.

c) Treasure Mountain Property, British Columbia, Canada

In March 2014, the Company entered into an option agreement whereby the Company acquired a 100% interest in the Treasure Mountain property located 30 kilometres east of Hope, British Columbia by making cash payments as follows: \$75,000 cash upon signing of the agreement (paid) and \$50,000 cash due 90 days after the signing of the agreement (paid).

In 2014, the Company also acquired a 100% interest in three surrounding mineral claims for cash payments of \$70,000 (paid).

On December 7, 2016, the Company acquired a mineral tenure claim north of Treasure Mountain Property for cash payment of \$15,000 (paid) from a director of the Company. The agreement is subject to a 2% NSR payable to the vendor.

On November 30, 2016, the Company entered into an option agreement with New Destiny Mining Corp (“New Destiny”) to sell its 100% interest in all mineral claims which comprise the Treasure Mountain Property. New Destiny is required to make cash and/or issue common shares totalling \$400,000, issue an aggregate of 500,000 common shares, and incur exploration expenditures on the property as follows:

Cash Payments:

- \$25,000 on execution of the agreement (received);
- \$50,000 within five business days following the approval by TSX-V (received);
- \$75,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) per year on or before the first (received), second (received), and third anniversaries (deferred), of the approval by TSX-V; and
- \$100,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) on or before the fourth anniversary of the approval by TSX-V.

In December 2021, the Company paid \$18,897 as payment on additional claim acquisitions.

Share Payment:

- 500,000 common shares with a minimum fair value of \$50,000 within five business days following approval by TSX-V (received).

Exploration Expenditures:

- Annual minimum exploration expenditures of \$100,000, \$150,000, \$250,000, and \$250,000 on the property in each year ending on or before the first, second, third, and fourth anniversaries, respectively, of the approval by TSX-V.

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The Company will retain a 2.5% net smelter return royalty (the “NSR Royalty”) which New Destiny may buy down 1% of the NSR Royalty by paying \$1,000,000 to the Company. Upon completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with New Destiny by paying to New Destiny the amount of money equal to 30% of the total amount expended on the Property by New Destiny. If the Company exercises this joint venture right, the Company and New Destiny will enter into a joint venture for the exploration and development of the Property.

The transaction was approved by TSX-V on November 9, 2017. The Company and New Destiny have a common director and officer.

d) Kenville Property, British Columbia, Canada

In April and May 2019, the Company entered into various agreements whereby it acquired approximately 78% of the issued and outstanding shares of 0995237 B.C. Ltd (“099 BC”), a private arm’s length company, in exchange for common shares and future cash payments by the Company. The principal asset of 099 BC is its option to acquire the Kenville Gold Mine, located west of Nelson, B.C.

The acquisition costs comprised of: (i) the premium on the acquisition of 099 BC in the amount of \$3,429,334, the assumption of additional debts from former shareholders of 099 BC in the amount of \$191,000, and consideration paid by the Company to Gungnir in the amount of \$500,000 (cash) and issuance of 285,918 shares with fair value of \$142,959, less assumption of the receivable from 099 BC in the amount of \$220,000.

During the year ended June 30, 2021, the Company increased its percentage ownership of 099 BC from 78% to 95% (Note 8).

e) Cariboo-Armelia (“Cararmelia”) Property, British Columbia, Canada

On June 4, 2019, the Company entered into an agreement to acquire crown granted mineral properties covering the Cariboo-Armelia gold mine in Camp McKinney in British Columbia. The acquisition includes crown-granted claims: Molson, Paragon, Burley#1, Edward VII, Wonder Y, Last Chance, Fontenoy, Emma, Alice, Cariboo, Armelia, Okanagan, Maple Leaf, Sawtooth, and Wiarton. The properties Maple Leaf and Wiarton also include surface rights as originally granted. In exchange for the 100% interest in all these properties, the Company issued 212,888 common shares fair valued at \$93,671.

f) Bouleau Property, British Columbia, Canada

On July 15, 2014, the Company entered into a property option agreement to acquire a 100% interest in the Bouleau Property which is adjacent to the Company’s Brett property located near Vernon, British Columbia. Under the terms of the option agreement, the Company acquired a 100% undivided interest by making cash option payments totalling US\$250,000, and issuing additional common shares of the Company with an aggregate deemed value of \$300,000 as follows:

		Number of Shares	Cash US\$
On September 05, 2014	(Paid)	-	100,000
On September 05, 2014	(Issued – fair valued at \$102,174)	43,478	-
By March 05, 2015	(Paid)	-	50,000
By March 05, 2015	(Issued – fair valued at \$67,211)	96,015	-
By September 30, 2015	(Paid)	-	50,000
By September 30, 2015	(Issued– fair valued at \$46,260)	264,340	-
By March 05, 2016	(Paid)	-	50,000
By March 05, 2016	(Issued – fair valued at \$72,545)	241,818	-
By September 05, 2016	(Issued – fair valued at \$82,944)	107,025	-
		<u>752,676</u>	<u>250,000</u>

During the year ended June 30, 2017, the Company earned a 100% undivided interest by making the final share issuance payment, therefore, complying with all the terms of the option agreement.

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g) Dentonia Property, South, British Columbia, Canada

On August 29, 2014, the Company entered into a property option agreement whereby the Company acquired a 100% interest in the Dentonia South Property, located 10 miles south of Greenwood, British Columbia, by issuing 30,000 common shares fair valued at \$51,000.

h) Providence Property, South, British Columbia, Canada

In August 2017, the Company entered into a property option agreement whereby the Company acquired a 100% interest in the Providence South Property, near Greenwood, British Columbia, by issuing a total of 280,000 common shares fair valued at \$53,000.

i) Nelson California and Camp McKinney, Southern British Columbia, Canada

In February 2020, the Company entered into an agreement with an arm's length individual to acquire mineral claims comprising the Nelson California gold mineral claim and the Camp McKinney gold mineral claim in Southern British Columbia. For consideration, the Company issued 111,111 common shares fair valued at \$50,000 and made a cash payment of \$30,000.

j) Ron Gold, Clubine, Hughes and Quartz Mountain, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its properties located in British Columbia including the Ron Gold Property, the Clubine Property, the Hughes Property, and the Quartz Mountain Property. The properties total 98 mineral claims covering 1,171 hectares and one crown granted mineral claim of 8.7 hectares located in southeastern British Columbia. For consideration, the Company paid \$100,000 cash, issued 1,000,000 shares fair valued at \$410,000 and issued 1,000,000 share purchase warrants exercisable at \$0.45 for a 24-month period, fair valued at \$200,000.

k) Stewart and Rozan, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of Stewart and Rozan properties located in southeastern British Columbia. The two properties consist of 60 mineral claims covering a total of 7,739 hectares. For consideration, the Company paid \$100,000 cash, issued 1,275,000 shares fair valued at \$369,750 and issued 1,275,000 share purchase warrants exercisable at \$0.45 per share for three years, increasing to \$0.55 per share in year 4 and year 5 from the date of issuance, fair valued at \$342,000.

l) 49er Creek and Queen Victoria, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southeastern British Columbia. The properties cover a total of 105 mineral claims covering approximately 4,276 hectares. For consideration, the Company paid \$100,000 cash and issued 1,400,000 shares fair valued at \$525,000.

m) Bud-Elk Property, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southeastern British Columbia. The properties consist of 7 mineral claims covering a total of 806 hectares. For consideration, the Company issued 388,888 shares fair valued at \$147,777.

n) Ymir Property, Southern British Columbia, Canada

In June 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southern British Columbia. The properties consist of 11 mineral claims covering a total of 1,600 hectares. For consideration, the Company issued 600,000 shares fair valued at \$318,000.

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o) Venus and Juno Gold Mines, Southern British Columbia, Canada

In July 2020, the Company entered into an option agreement with an arm's length company to acquire 100% of its mineral properties located in southern British Columbia. The properties consist of 5 mineral claims covering a total of 231 hectares. The agreement indicates a 1% NSR which can be purchased back for \$500,000. As consideration, the Company agreed to pay an aggregate of \$100,000 in cash and to issue 200,000 shares over four years as follows:

		Number of Shares	Cash \$
Date of execution	(Paid, Issued – fair valued at \$18,750)	50,000	10,000
Second anniversary or before of the approval date	(Paid, Issued – fair valued at \$10,000)	50,000	20,000
Third anniversary or before of the approval date		50,000	30,000
Fourth anniversary or before of the approval date		50,000	40,000
		<u>200,000</u>	<u>100,000</u>

p) Golden Crown, Southern British Columbia, Canada

In July 2020, the Company acquired 3% net smelter royalties covering properties located in the Greenwood mining camp in Southern British Columbia and a royalty on material processed in the Boundary Falls mill. Terms of the agreement include the issuance of 1,000,000 shares (issued). The transaction is subject to TSX-V and regulatory approval and the vendor has entered into a voting trust agreement whereby the shares will be voted in favour of management. The shares issued had a fair market value of \$500,000.

q) Running Wolf, Southern British Columbia, Canada

In February 2021, the Company entered into an agreement with arm's length individuals to acquire 100% of their mineral properties located in southern British Columbia. The properties consist of 10 mineral claims covering a total of 860 hectares in the Cranbrook Gold Belt. For consideration, the Company issued 200,000 shares fair valued at \$74,000 and made a cash payment of \$30,000.

r) Greenwood Mining Camp, Southern British Columbia, Canada

In April 2020, the Company entered into an agreement to acquire a net smelter return royalty covering 15,116 hectares of mineral properties in Greenwood Mining Camp located in Southern British Columbia. The 2.5% NSR is on 51 claims covering 15,116 hectares on mineral properties referred to as the Sidley Gold-Dayton Copper Properties. Also included with the NSR are five mineral claims covering 3,873 hectares (Meyers Creek 2020, Rock Creek, RC West 1000, RC Norther 1000 and RC West 2000) acquired from a private corporation for consideration of 800,000 shares of the Company (issued April 2021 fair valued at \$244,000).

s) Wild Horse Creek Gold Property, Southern British Columbia, Canada

In July 2021, the Company acquired several mineral claims in the Wild Horse Creek area, located in the Fort Steele Mining Division in southern British Columbia. The Company entered into agreements to acquire 139 mineral claims covering 12,767 hectares. For consideration, the Company issued 3,455,000 shares fair market valued at \$915,575. The Company acquired 100% interest in the claims, subject to a 1.0% net smelter return royalty.

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t) Nelson Mining Division, Southern British Columbia, Canada

On January 27, 2021, the Company entered into a property option agreement to acquire 100% of the right, title, and interest in the property referred to as the Star Claim Group Property, comprised of the 25 Crown Granted Mineral Claims located in Nelson Mining Division of British Columbia. Under the terms of the option agreement, the Company can acquire a 100% undivided interest by making cash option payments for an aggregate of \$400,000 along with an annual report of the geological information resulting from expenditures option as follows:

		Cash	Cumulative Aggregate Work Commitment
		\$	\$
On effective date	(Paid)	30,000	-
First anniversary or before of effective date	(Paid)	30,000	100,000
Second anniversary or before of effective date	(Paid)	30,000	200,000
Third anniversary or before of effective date		30,000	300,000
Fourth anniversary or before of effective date		40,000	400,000
Fifth anniversary or before of effective date		40,000	500,000
Six anniversary or before of effective date		50,000	600,000
Seventh anniversary or before of effective date		50,000	700,000
Eighth anniversary or before of effective date		50,000	800,000
Ninth anniversary or before of effective date		50,000	900,000
Tenth anniversary or before of effective date		-	1,000,000
		<u>400,000</u>	<u>1,000,000</u>

u) 16 Claims, Southern British Columbia, Canada

In January 2023, the Company acquired 16 Claims located in southern British Columbia. The Company entered into agreements to acquire 100% interest in 16 Claims for consideration of \$250,000 cash (paid).

v) Kodiak, Southern British Columbia, Canada

In December 2022, the Company acquired the Kodiak Property located in southern British Columbia. The Company entered into agreements to acquire 100% interest in the Kodiak Property for consideration of \$160,000 cash (paid). (Note 13(g)).

NOTE 10 – LOAN PAYABLE

	2023	2022
	\$	\$
Loan Payable	50,200	-
Interest on Loans	498	-
	<u>50,698</u>	<u>-</u>

During the year ended June 30, 2023, the Company received \$81,200 in unsecured loans and repaid \$31,000 towards loans payable. The Company accrued \$498 in interest expense on loans at a rate of 18% per annum.

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NOTE 11 – FLOW-THROUGH SHARE PREMIUM LIABILITY

	2023	2022
	\$	\$
Opening Balance	742,291	8,929
Flow-Through Share Premium Liability obligation due to issuance of Flow-Through Shares	42,000	742,291
Settlement pursuant to incurring Qualified Expenditures or renunciation	(622,616)	(8,929)
	<u>161,675</u>	<u>742,291</u>

Summary of renunciations related to the tranches for flow-through share issuances during the year ended June 30, 2023 are as follows:

During the year ended June 30, 2023, \$2,507,712 expenditures were spent in relation to flow-through shares issued in current and previous years.

Flow-through shares issued on November 19, 2021 for gross proceeds of \$217,000

During the year ended June 30, 2023, flow-through expenditures of \$163,580 were incurred and as of June 30, 2023, \$Nil remains unspent.

Flow-through shares issued on December 10, 2021 for gross proceeds of \$158,400

During the year ended June 30, 2023, flow-through expenditures of \$158,400 were incurred and as of June 30, 2023, \$Nil remains unspent.

Flow-through shares issued on December 29, 2021 for gross proceeds of \$70,400

During the year ended June 30, 2023, flow-through expenditures of \$70,400 were incurred and as of June 30, 2023, \$Nil remains unspent.

Flow-through shares issued on February 2, 2022 for gross proceeds of \$2,534,686

During the year ended June 30, 2023, flow-through expenditures of \$2,115,332 were incurred and as of June 30, 2023, \$419,354 remained unspent and is expected to be incurred prior to June 30, 2024.

Flow-through shares issued on December 21, 2022 for gross proceeds of \$190,000

As of June 30, 2023, flow-through expenditure commitment of \$190,000 remained unspent and is expected to be incurred prior to June 30, 2024.

Flow-through shares issued on February 10, 2023 for gross proceeds of \$180,000

As of June 30, 2023, flow-through expenditure commitment of \$180,000 remained unspent and is expected to be incurred prior to June 30, 2024.

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NOTE 12 – SHARE CAPITAL

a) Authorized Share Capital

Unlimited common shares without par value

b) Issued and Outstanding Share Capital

As at June 30, 2023, there were 139,714,397 (2022 – 106,945,068) common shares issued and outstanding.

(i) Shares Issued during the Year Ended June 30, 2023

- On July 5, 2022, the Company issued 8,000,000 units at a price of \$0.07 per unit for gross proceeds of \$560,000. Each unit consisted of one common share and one transferable common share warrant exercisable at \$0.10 for a period of 60 months from date of issue.
- On December 21, 2022, the Company issued 2,714,286 flow-through units at a price of \$0.07 per unit for gross proceeds of \$190,000. Each Flow-Through share consists of one common share that qualifies as a “flow-through share” as defined in subsection 66(15) of the Income Tax Act and one transferable common share purchase warrant exercisable at \$0.10 for a period of 60 months.
- On February 7, 2023, the Company issued 8,000,000 units at \$0.09 for gross proceeds of \$720,000. Each unit consists of one common share and one transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of 60 months from the date of issue, one additional common share at an exercise price of \$0.20. The Company paid cash commission of \$5,040 and issued 56,000 finder warrants fair valued at \$3,594.
- On February 10, 2023, the Company issued 1,200,000 flow-through units at a price of \$0.15 per unit for gross proceeds of \$180,000. Each Flow-Through share consists of one common share that qualifies as a “flow-through share” as defined in subsection 66(15) of the Income Tax Act and one transferable common share purchase warrant exercisable at \$0.20 for a period of 60 months. A flow-through share premium liability of \$42,000 was calculated which will be recovered based on renunciation. The Company has a flow-through qualified mining commitment of \$180,000 remaining as at June 30, 2023.
- On May 19, 2023, the Company issued 3,000,000 units at a price of \$0.10 per share for gross proceeds of \$300,000. Each unit consists of one common share and one transferable common share purchase warrant exercisable at \$0.15 for a period of 60 months.
- During the year ended June 30, 2023, the Company issued 7,200,000 shares for gross proceeds of \$720,000 on exercise of share purchase warrants. The Company also issued 1,000,000 shares upon exercise of Restricted Stock Units. The shares issued were fair valued at \$115,000 which was recorded as stock-based compensation.

Shares Issued for Debt

- In June 2023, the Company issued 1,655,043 shares fair valued at \$124,128 as payment on loans owing of \$248,256. The Company recorded a corresponding gain on the settlement of debt of \$124,128.

(ii) Shares Issued during the Year Ended June 30, 2022

Shares Issued for Cash

- In October 2021, the Company closed a financing, over three tranches, by issuing 2,500,000 units at a price of \$0.20 per unit for gross proceeds of \$500,000. Each unit issued consists of one common share and one transferable common share purchase warrant exercisable at \$0.35 for a period of 36 months.
- On October 20, 2021, the Company issued 1,818,200 flow-through units at a price of \$0.22 per unit for gross proceeds of \$400,004. Each flow-through unit consists of one common share and one-half transferable common share warrant exercisable at \$0.35 for a period of 36 months. Each flow-through share consists of one common share that qualifies as ‘flow-through’ as defined in subsection 66 (15) of the Income Tax Act.

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- On October 25, 2021, the Company issued 4,545,456 flow-through units at a price of \$0.22 per unit for gross proceeds of \$1,000,000. Each flow-through unit consists of one common share and one transferable common share warrant exercisable at \$0.35 for a period of 36 months. Each flow-through share consists of one common share that qualifies as ‘flow-through’ as defined in subsection 66 (15) of the Income Tax Act.

The Company paid a cash commission of \$70,000 and issued 318,182 finders warrants fair valued at \$56,854. The finders warrants are valid for 3 years from closing with an exercise price of \$0.22.

- On November 9, 2021, the Company issued 831,818 flow-through units at a price of \$0.22 per unit for gross proceeds of \$183,000. Each flow-through unit consists of one common share and one transferable common share warrant exercisable at \$0.35 for a period of 36 months. Each flow-through share consists of one common share that qualifies as ‘flow-through’ as defined in subsection 66 (15) of the Income Tax Act.

The Company paid a cash commission of \$6,545 and issued 29,750 finders warrants fair valued at \$3,904. The finders warrants are valid for 3 years from closing with an exercise price of \$0.35.

- On November 19, 2021, the Company issued 986,364 flow-through units at a price of \$0.22 per unit for gross proceeds of \$217,000. Each flow-through unit consists of one common share and one transferable common share warrant exercisable at \$0.35 for a period of 36 months. Each flow-through share consists of one common share that qualifies as ‘flow-through’ as defined in subsection 66 (15) of the Income Tax Act.

The Company paid a cash commission of \$15,190 and issued 69,045 finders warrants fair valued at \$8,641. The finders warrants are valid for 3 years from closing with an exercise price of \$0.35.

- In December 2021, the Company issued 1,040,000 flow-through units at a price of \$0.22 per unit for gross proceeds of \$228,800. Each flow-through unit consists of one common share and one transferable common share warrant exercisable at \$0.35 for a period of 36 months. Each flow-through share consists of one common share that qualifies as ‘flow-through’ as defined in subsection 66 (15) of the Income Tax Act.

The Company paid a cash commission of \$1,540 and issued 7,000 finders warrants fair valued at \$671. The finders warrants are valid for 3 years from closing with an exercise price of \$0.35.

- On February 2, 2022, the Company issued 8,893,635 flow-through units at a price of \$0.285 per unit for gross proceeds of \$2,534,686. Each flow-through unit consists of one common share that qualifies as ‘flow-through’ as defined in subsection 66 (15) of the Income Tax Act.

- In April and May 2022, the Company closed a financing, over three tranches, by issuing 8,216,734 units at a price of \$0.15 per unit for gross proceeds of \$1,232,510. Each unit issued consists of one common share and one transferable common share purchase warrant exercisable at \$0.25 for a period of 24 months. Based on residual method, \$12,000 was allocated to warrant reserve.

The Company paid a cash commission of \$19,617 and issued 130,783 finders warrants fair valued at \$8,464. The finders warrants are valid for 2 years from closing with an exercise price of \$0.25.

Shares Issued for Mineral Properties

- In July 2021, the Company issued 3,455,000 shares fair market valued at \$915,575 as part of the acquisition agreement for the Wild Horse Creek Gold Property (Note 9(s)).
- In January 2022, the Company issued 50,000 shares fair market valued at \$10,000 as part of the acquisition agreement for the Venus/Juno Property (Note 9(o)).

c) Shares Issued Under Restricted Stock Unit (“RSU”) Plan

In 2019, the board of directors and shareholders approved the adoption of a new Restricted Stock Unit Plan (“RSU Plan”). The RSU Plan allows the eligible person to acquire restricted stock units of the Company and is designed to provide the Company with an additional tool to compensate certain directors, officers, consultants and other key employees of the Company. The maximum number of RSU units that the Company may grant is 2,250,000 units.

- During the year ended June 30, 2023, the Company issued 1,000,000 (2022 – Nil) shares upon exercise of Restricted Stock Units. The shares issued were fair valued at \$115,000 which was recorded as stock-based compensation.

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d) Stock Options

The Company has a stock option plan under which it is authorized to grant options to directors, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Vesting terms are determined by the board of directors at the time of grant.

For the year ended June 30, 2023, 8,575,000 options were outstanding with a weighted average exercise price of \$0.29 and an average remaining life of 3.42 years.

Expiry Date	Exercise Price	June 30, 2022	Granted	Exercised	Expired/Cancelled	June 30, 2023
February 14, 2023	\$0.18	50,000	-	-	(50,000)	-
December 27, 2023	\$0.30	475,000	-	-	-	475,000
July 11, 2024	\$0.75	100,000	-	-	-	100,000
July 15, 2024	\$0.70	1,000,000	-	-	-	1,000,000
February 22, 2026	\$0.40	2,000,000	-	-	-	2,000,000
January 10, 2028	\$0.15	-	5,000,000	-	-	5,000,000
		3,625,000	5,000,000	-	(50,000)	8,575,000

For the year ended June 30, 2022, 3,625,000 options were outstanding with a weighted average exercise price of \$0.48 and an average remaining life of 2.84 years.

Expiry Date	Exercise Price	June 30, 2021	Granted	Exercised	Expired/Cancelled	June 30, 2022
October 5, 2021	\$0.75	130,000	-	-	(130,000)	-
November 22, 2021	\$0.60	210,000	-	-	(210,000)	-
February 14, 2023	\$0.18	50,000	-	-	-	50,000
December 27, 2023	\$0.30	475,000	-	-	-	475,000
July 11, 2024	\$0.75	100,000	-	-	-	100,000
July 15, 2024	\$0.70	1,000,000	-	-	-	1,000,000
February 22, 2026	\$0.40	2,000,000	-	-	-	2,000,000
		3,965,000	-	-	(340,000)	3,625,000

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e) Share Purchase Warrants

The continuity schedule of share purchase warrants for the year ended June 30, 2023 is as follows. Total outstanding share purchase warrants as at June 30, 2023 is 39,186,240 with a weighted average exercise price of \$0.27.

Expiry Date	Exercise Price	June 30, 2022	Issued	Exercised	Expired/ Cancelled	June 30, 2023
July 28, 2022	\$0.75	1,920,276	-	-	(1,920,276)	-
July 29, 2022	\$0.75	927,532	-	-	(927,532)	-
July 31, 2022	\$0.75	535,000	-	-	(535,000)	-
August 17, 2022	\$0.75	205,000	-	-	(205,000)	-
November 6, 2022	\$0.35	1,600,000	-	-	(1,600,000)	-
December 13, 2022	\$0.250	122,000	-	-	(122,000)	-
February 05, 2023	\$0.5313	470,588	-	-	(470,588)	-
February 25, 2023	\$0.5125	487,805	-	-	(487,805)	-
March 06, 2023	\$0.55	454,545	-	-	(454,545)	-
June 3, 2023	\$0.7875	500,000	-	-	(500,000)	-
*July 30, 2023	\$0.8125	454,545	-	-	-	454,545
November 10, 2023	\$0.60	694,444	-	-	-	694,444
February 4, 2024	\$0.45	1,218,493	-	-	-	1,218,493
April 13, 2024	\$0.25	6,966,734	-	-	-	6,966,734
April 14, 2024	\$0.25	650,000	-	-	-	650,000
May 17, 2024	\$0.25	600,000	-	-	-	600,000
June 24, 2024	\$0.35	800,000	-	-	-	800,000
October 7, 2024	\$0.35	1,000,000	-	-	-	1,000,000
October 8, 2024	\$0.35	500,000	-	-	-	500,000
October 20, 2024	\$0.35	1,909,100	-	-	-	1,909,100
October 25, 2024	\$0.35	4,545,456	-	-	-	4,545,456
November 9, 2024	\$0.35	831,818	-	-	-	831,818
November 19, 2024	\$0.35	986,364	-	-	-	986,364
December 10, 2024	\$0.35	720,000	-	-	-	720,000
December 29, 2024	\$0.35	320,000	-	-	-	320,000
March 12, 2025 (Note 9(k))	\$0.45/\$0.55	1,275,000	-	-	-	1,275,000
July 5, 2027	\$0.10	-	8,000,000	(7,200,000)	-	800,000
December 21, 2027	\$0.10	-	2,714,286	-	-	2,714,286
February 7, 2028	\$0.20	-	8,000,000	-	-	8,000,000
February 10, 2028	\$0.20	-	1,200,000	-	-	1,200,000
May 19, 2028	\$0.15	-	3,000,000	-	-	3,000,000
		30,694,700	22,914,286	(7,200,000)	(7,222,746)	39,186,240

*Subsequent to June 30, 2023, a total of 454,545 warrants expired unexercised.

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The continuity schedule of share purchase warrants for the year ended June 30, 2022 is as follows. Total outstanding share purchase warrants as at June 30, 2022 is 30,694,700 with a weighted average exercise price of \$0.41.

Expiry Date	Exercise Price	June 30, 2021	Issued	Exercised	Expired/Cancelled	June 30, 2022
July 07, 2021	\$0.45	468,498	-	-	(468,498)	-
July 27, 2021	\$0.45	500,000	-	-	(500,000)	-
August 15, 2021	\$0.50	462,000	-	-	(462,000)	-
October 24, 2021	\$1.00	924,040	-	-	(924,040)	-
December 30, 2021	\$0.50	200,000	-	-	(200,000)	-
April 11, 2022	\$0.375	940,000	-	-	(940,000)	-
April 13, 2022	\$0.375	404,500	-	-	(404,500)	-
April 20, 2022	\$0.375	200,000	-	-	(200,000)	-
May 05, 2022	\$0.45	1,000,000	-	-	(1,000,000)	-
June 25, 2022	\$0.75	2,524,169	-	-	(2,524,169)	-
July 28, 2022	\$0.75	1,920,276	-	-	-	1,920,276
July 29, 2022	\$0.75	927,532	-	-	-	927,532
July 31, 2022	\$0.75	535,000	-	-	-	535,000
August 17, 2022	\$0.75	205,000	-	-	-	205,000
November 6, 2022	\$0.35	1,600,000	-	-	-	1,600,000
December 13, 2022	\$0.250	122,000	-	-	-	122,000
February 05, 2023	\$0.5313	470,588	-	-	-	470,588
February 25, 2023	\$0.5125	487,805	-	-	-	487,805
March 06, 2023	\$0.55	454,545	-	-	-	454,545
March 12, 2025 (Note 9(k))	\$0.45/\$0.55	1,275,000	-	-	-	1,275,000
June 3, 2023	\$0.7875	500,000	-	-	-	500,000
July 30, 2023	\$0.8125	454,545	-	-	-	454,545
November 10, 2023	\$0.60	694,444	-	-	-	694,444
February 4, 2024	\$0.45	1,218,493	-	-	-	1,218,493
April 13, 2024	\$0.25	-	6,966,734	-	-	6,966,734
April 14, 2024	\$0.25	-	650,000	-	-	650,000
May 17, 2024	\$0.25	-	600,000	-	-	600,000
June 24, 2024	\$0.35	800,000	-	-	-	800,000
October 7, 2024	\$0.35	-	1,000,000	-	-	1,000,000
October 8, 2024	\$0.35	-	500,000	-	-	500,000
October 20, 2024	\$0.35	-	1,909,100	-	-	1,909,100
October 25, 2024	\$0.35	-	4,545,456	-	-	4,545,456
November 9, 2024	\$0.35	-	831,818	-	-	831,818
November 19, 2024	\$0.35	-	986,364	-	-	986,364
December 10, 2024	\$0.35	-	720,000	-	-	720,000
December 29, 2024	\$0.35	-	320,000	-	-	320,000
		19,288,435	19,029,472	-	(7,623,207)	30,694,700

Ximen Mining Corp.

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f) Agents' Warrants

Total outstanding Agents' warrants as at June 30, 2023 is 610,760 with a weighted average exercise price of \$0.25.

Expiry Date	Exercise Price	June 30, 2022	Issued	Exercised	Expired/ Cancelled	June 30, 2023
July 29, 2022	\$0.75	36,400	-	-	(36,400)	-
October 13, 2022	\$0.40	131,250	-	-	(131,250)	-
November 16, 2022	\$0.42	41,666	-	-	(41,666)	-
April 13, 2024	\$0.25	85,283	-	-	-	85,283
April 14, 2024	\$0.25	45,500	-	-	-	45,500
October 25, 2024	\$0.22	318,182	-	-	-	318,182
November 09, 2024	\$0.35	29,750	-	-	-	29,750
November 19, 2024	\$0.35	69,045	-	-	-	69,045
December 10, 2024	\$0.35	7,000	-	-	-	7,000
February 7, 2025	\$0.20	-	42,000	-	-	42,000
February 7, 2028	\$0.20	-	14,000	-	-	14,000
		764,076	56,000	-	(209,316)	610,760

Total outstanding Agents' warrants as at June 30, 2022 is 764,076 with a weighted average exercise price of \$0.31.

Expiry Date	Exercise Price	June 30, 2021	Issued	Exercised	Expired/ Cancelled	June 30, 2022
October 24, 2021	\$0.39	89,744	-	-	(89,744)	-
December 12, 2021	\$0.39	44,872	-	-	(44,872)	-
March 09, 2022	\$0.50	84,000	-	-	(84,000)	-
April 13, 2022	\$0.375	23,000	-	-	(23,000)	-
June 25, 2022	\$0.75	21,210	-	-	(21,210)	-
July 29, 2022	\$0.75	36,400	-	-	-	36,400
October 13, 2022	\$0.40	131,250	-	-	-	131,250
November 16, 2022	\$0.42	41,666	-	-	-	41,666
April 13, 2024	\$0.25	-	85,283	-	-	85,283
April 14, 2024	\$0.25	-	45,500	-	-	45,500
October 25, 2024	\$0.22	-	318,182	-	-	318,182
November 09, 2024	\$0.35	-	29,750	-	-	29,750
November 19, 2024	\$0.35	-	69,045	-	-	69,045
December 10, 2024	\$0.35	-	7,000	-	-	7,000
		472,142	554,760	-	(262,826)	764,076

g) Share-Based Payments

Stock-based compensation costs have been determined based on the fair value of the stock options and agents' warrants at the grant date using the Black-Scholes option pricing model. During the year ended June 30, 2023, the Company granted 5,000,000 (2022 – Nil) stock options, and 56,000 agents' warrants (2022 – 554,760). Stock-based compensation using the Black-Scholes option pricing model was \$576,363 (2022 – \$Nil), and \$3,594 (2022 – \$78,533), respectively, for stock options, agents' warrants, and warrants issued in settlement of interest payable.

The following assumptions were used for the Black-Scholes valuation of stock options and agents' warrants issued:

	2023	2022
Risk-free interest rate	3.0782% – 3.8764%	1.0667% – 2.4211%
Expected life of agents' warrants and options	2 - 5 years	2 - 3 years
Annualized volatility	102.771% – 104.488%	82.867% – 101.206%
Dividend rate	0.00%	0.00%

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NOTE 13 – RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes directors (executive and non-executive) and senior management, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). The amounts paid by the Company for services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions are in the normal course of operations. Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described below.

a) Amount Due To Related Parties

Amounts due to related parties are in the normal course of business, unsecured, bear 10% and 18% interest, and payable upon request.

b) Compensation of Key Management Personnel

All related party transactions were in the ordinary course of business and measured at their exchange amount.

	2023	2022
	\$	\$
Management Fees	243,396	243,037
Office Administration, Support Fees and Interest	196,550	463,611
Stock-Based Compensation	362,836	-
	<u>802,782</u>	<u>706,648</u>

- c) During the year ended June 30, 2023, the Company incurred \$439,946 (2022 – \$706,648) in management and consulting fees, and reimbursements of travel and other expenses to a director and officer (and a company controlled by the director) of the Company. As at June 30, 2023, \$288,006 (2022 - \$12,275) was payable.
- d) As at June 30, 2023, \$89,083 (2022 - \$89,083) was receivable from a company with a common director and officer.
- e) During the year ended June 30, 2023, the Company incurred stock-based compensation of \$362,836 (2022 – \$Nil) to directors and officers of the Company for the granting of stock options (2,150,000) and RSUs (1,000,000).
- f) During the year ended June 30, 2023, a director and an officer participated in a private placement offering totalling \$315,000 (2022 - \$331,500). A director and an officer also exercised 2,600,000 warrants at \$0.10.
- g) During the year ended June 30, 2023, a director and an officer sold mineral claims for a total of \$160,000. (Note 9(v)).

NOTE 14 – SUPPLEMENTAL CASH FLOW INFORMATION

a) Significant Non-Cash Financing Activities

Shares Issued for Exploration and Evaluation Expenditures	-	925,575
Shares Issued for Settlement of Debts	124,128	-
	<u>124,128</u>	<u>925,575</u>

Ximen Mining Corp.

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NOTE 15 – COMMITMENTS

- a) In the year ended June 30, 2023, pursuant to the acquisition of 099 BC and mining equipment from former shareholders of 099 BC (Note 8), the remaining cash payable due dates are as follows:
- (i) \$280,000 due to the former shareholders of 099 BC – immediately;
 - (ii) \$122,500 due to the former shareholders of 099 BC – immediately.
- b) The Company has certain commitments related to the issuance of flow-through shares. See Note 11 for discussion of flow-through expenditure commitments related to exploration costs.
- c) The Company has certain commitments pursuant to option agreements to acquire 100% of mineral claims located in Nelson Mining Division. See Note 9o) and 9t) for discussion of cash, share issuance, and expenditure commitments related to option agreements.
- d) In January 2023, the Company entered into a 5-year office services contract that extends until December 31, 2027, at a gross monthly rate of \$55,000.

NOTE 16 – INCOME TAXES

a) Provision for Income Taxes

The income tax recovery of the Company is reconciled to the net loss for the year as reported in the consolidated statements of comprehensive loss by applying the combined federal and provincial income tax rate of 27.0% (2022 – 27.0%) as follows:

	2023	2022
	\$	\$
Net Loss for the Year	(4,944,272)	(5,659,855)
Expected Income Tax Recovery	(1,335,000)	(1,528,000)
Non-Deductible Expenditures	710,000	723,000
Change in Unrecognized Deductible Temporary Difference	636,000	806,000
Change in Opening Tax Balances	(3,000)	72,000
Share Issuance Costs	(9,000)	(70,000)
Other	1,000	(3,000)
Income Tax Expense	-	-

b) Deferred Tax Assets and Liabilities

As at June 30, 2023 and 2022, the Company has temporary differences between the carrying value of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized to the extent that the realization of the related tax benefit through future taxable income is probable. The Company has recorded a full valuation allowance against its deferred tax assets because of uncertainty as to the realization of these assets. The Company's deferred tax assets not recognized consist of the following amounts:

Property and Equipment	318,000	210,000
Exploration and Evaluation Expenditures	4,072,000	3,959,000
Non-Capital Losses	5,021,000	4,562,000
Capital Losses	56,000	31,000
Flow-through Share Premium Liability	(44,000)	(2,000)
Share Issue Costs	79,000	108,000
Net Deferred Tax Assets Not Recognized	9,502,000	8,868,000

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As at June 30, 2023, the Company has exploration and development expenditures of \$15,083,000, non-capital losses of approximately \$18,545,000 and share issuance costs of approximately \$399,000 that may be applied against future income for Canadian income tax purposes. Share issuance costs expire through to 2027. The non-capital losses expire as follows:

	\$
2027	96,000
2028	481,000
2029	538,000
2030	478,000
2031	691,000
2032	763,000
2033	395,000
2034	2,081,000
2035	1,740,000
2036 to 2043	11,282,000
	<u>18,545,000</u>

NOTE 17 – NON-CONTROLLING INTEREST

In 2020 and 2021, the Company acquired 95%, the controlling shares, of 099 BC (Note 8). As at June 30, 2023, the non-controlling interest consists of 5% ownership of 0995237 B.C. Ltd.

	2023 \$	2022 \$
CURRENT:		
Assets	5,990	3,852
CURRENT NET ASSETS	<u>5,990</u>	<u>3,852</u>
NON-CURRENT		
Assets	849,068	908,643
Liabilities	(4,331,630)	(4,253,636)
NON-CURRENT NET LIABILITIES	<u>(3,482,562)</u>	<u>(3,344,993)</u>
NET LIABILITIES	<u>(3,476,572)</u>	<u>(3,341,141)</u>

The following is the summarized comprehensive loss of 099 BC for the years ended June 30, 2023 and 2022:

	Year Ended June 30, 2023 \$	Year Ended June 30, 2022 \$
Expenses	135,431	174,027
Net Loss for the Year	<u>135,431</u>	<u>174,027</u>

NOTE 18 – CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Ximen Mining Corp.

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The Company manages its share capital as capital, which as at June 30, 2023, was \$45,001,897 (2022 – \$42,169,363). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended June 30, 2023.

NOTE 19 – FINANCIAL INSTRUMENTS

The fair value of the Company's loans receivable, accounts payable and accrued liabilities, and amounts due to related parties approximate their carrying value, which is the amount recorded on the consolidated statements of financial position. The Company's other financial instruments and cash under the fair value hierarchy are recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that its credit risk is not significant.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it have sufficient liquidity to meet liabilities when due. As at June 30, 2023, the Company had a cash balance of \$3,864 to settle current liabilities of \$1,770,118. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Management expects to fund those liabilities through the issuance of capital stock and loans from related parties over the coming year.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loans payable and amounts due to related parties bear interest at fixed rates. The Company is not exposed to significant interest rate risk.

d) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have an insignificant impact on net loss for the year.

e) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Management closely monitors commodity prices to determine the appropriate course of action to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

Ximen Mining Corp.

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f) Fair Value

The Company uses the following hierarchy for determining fair value measurements:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The Company's financial assets measured at fair value through profit or loss use Level 1 valuation techniques during the years ended June 30, 2023 and 2022. The carrying values of the Company's financial assets and liabilities approximate their fair values as at June 30, 2023.

NOTE 20 – SUBSEQUENT EVENTS

Subsequent to year end, the Company issued 10,000,000 units at a price of \$0.06 per unit for gross proceeds of \$600,000. Each unit consists of one common share and one transferable common share warrant exercisable at \$0.08 for a period of 60 months from the date of issue.

Subsequent to year end, the Company received loans in the amount of \$292,800 of which \$209,000 was from a related party. The loans are unsecured, bear interest at 21% per annum and have no terms of repayment.