NEW DESTINY

MINING CORP

June 30, 2023 and 2022

(Expressed in Canadian Dollars)

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WDM CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of:
NEW DESTINY MINING CORP.

Opinion

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

In our opinion, the accompanying 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 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 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 financial statements, which indicates that the Company incurred a net loss of $268,797 during the year ended June 30, 2023, and as of that date, had accumulated losses since inception of $4,704,766. 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 financial statements of the current period. These matters were addressed in the context of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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.

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

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

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

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

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

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

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 Mike Kao.

WDM

Chartered Professional Accountants

Vancouver, B.C.
October 25, 2023

New Destiny Mining Corp.

Statements of Financial Position

As at June 30, 2023 and 2022
(Expressed in Canadian Dollars)

	Note	2023 $	2022 $
ASSETS			
CURRENT			
Cash		3,088	465
GST Recoverable		3,080	1,105
		6,168	1,570
NON-CURRENT			
Reclamation Bond		8,000	8,000
Exploration and Evaluation Assets	5	-	-
		14,168	9,570
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		345,830	231,056
Loans Payable	4	5,350	47,300
Due to Related Parties	7	306,341	304,939
		657,521	583,295
SHAREHOLDERS' DEFICIENCY			
Share Capital	6	3,951,044	3,862,244
Share Subscriptions Received in Advance		15,000	-
Stock Option Reserve		95,369	-
Deficit		(4,704,766)	(4,435,969)
		(643,353)	(573,725)
		14,168	9,570

Nature of Operations and Ability to Continue as a Going Concern (Note 1)

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

Approved on behalf of the Board:

"Barry Brown"
Barry Brown, Director

"Wesley Warthe-Anderson"
Wesley Warthe-Anderson, Director

New Destiny Mining Corp.

Statements of Changes in Shareholders' Deficiency

For the Years Ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital $	Share Subscriptions Received in Advance $	Stock Option Reserve $	Warrants Reserve $	Deficit $	Total Shareholders' Deficiency $
Balance, June 30, 2021		17,105,669	3,738,394	-	-	22,437	(4,317,628)	(556,797)
					-			
Shares Issued for Cash	6(b)(i)	1,000,000	80,000	-	-	-	-	80,000
Shares Issued for Exploration and Evaluation Assets	6(b)(i)	1,500,000	75,000	-	-		-	75,000
Share Issuance Costs		-	(1,150)	-	-	-	-	(1,150)
Flow-Through Share Premium Liability	6(b)(i)		(30,000)	-	-	-	-	(30,000)
Fair Value of Agents' Warrants Expired		-	-	-	-	(22,437)	22,437	-
Net Comprehensive Loss		-	-	-	-	-	(140,778)	(140,778)
Balance, June 30, 2022		19,605,669	3,862,244	-	-	-	(4,435,969)	(573,725)
					-			
Shares Issued for Cash	6(b)(ii)	3,000,000	90,000	-	-	-	-	90,000
Share Issuance Costs		-	(1,200)	-	-	-	-	(1,200)
Share Subscriptions Received in Advance		-	-	15,000	-	-	-	15,000
Fair Value of Options Granted		-	-	-	95,369	-	-	95,369
Net Comprehensive Loss		-	-	-	-	-	(268,797)	(268,797)
Balance, June 30, 2023		22,605,669	3,951,044	15,000	95,369	-	(4,704,766)	(643,353)

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

New Destiny Mining Corp.

Statements of Comprehensive Loss

For the Years Ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

	Note	2023 $	2022 $
EXPENSES			
Advertising, Marketing and Investor Relations	7(a)	15,000	-
Exploration Expenses	5	19,655	79,761
Office and Administrative		62,572	18,987
Professional Fees		17,000	17,000
Rent		48,000	42,000
Share Based Compensation		95,369	-
Transfer Agent and Regulatory Fees		11,201	13,030
LOSS BEFORE OTHER ITEMS		(268,797)	(170,778)
Reversal of Flow-Through Share Premium Liability	9	-	30,000
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(268,797)	(140,778)
BASIC AND DILUTED LOSS PER SHARE		(0.01)	(0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		20,813,888	18,208,409

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

New Destiny Mining Corp.

Statements of Cash Flows

For the Years Ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

	2023 $	2022 $
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net Loss for the Year	(268,797)	(140,778)
Share Based Compensation	95,369	-
Shares Issued for Mineral Property Option Agreement	-	75,000
Reversal of Flow-Through Share Premium Liability	-	(30,000)
	(173,428)	(95,778)
Changes in Non-Cash Working Capital Accounts		
GST Recoverable	(1,975)	1,730
Accounts Payable and Accrued Liabilities	114,774	72,256
Due to Related Parties	1,402	(40,345)
	(59,227)	(62,137)
FINANCING ACTIVITIES		
Shares Issued for Cash, Net of Issuance Costs	88,800	78,850
Share Subscriptions Received in Advance	15,000	-
Repayment of Loans	(60,800)	(28,000)
Loan Proceeds	18,850	11,100
	61,850	61,950
CHANGE IN CASH	2,623	(187)
Cash, Beginning of the Year	465	652
CASH, END OF THE YEAR	3,088	465

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

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

New Destiny Mining Corp. (the "Company") was incorporated on September 9, 2009 under the Business Corporations Act of British Columbia. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring, and evaluating mineral properties. Its common shares are listed on the TSX Venture Exchange and trade under the symbol NED. The address of the Company's corporate office and its principal place of business is 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

These 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 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 $4,704,766 and a working capital deficiency of $651,353, and incurred a net loss of $268,797 for the year. The Company's ability to continue operations is dependent upon the financial support from its shareholders and other related parties, its ability to obtain additional financing, the existence of economically recoverable reserves, and the attainment of profitable operations or sufficient proceeds from disposition of the 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 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 is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development of those mineral reserves, and upon future production or proceeds from the disposition thereof.

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 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 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 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

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

These audited financial statements were approved and authorized for issue by the Board of Directors on October 25, 2023.

b) Basis of Preparation

The 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.

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) 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 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, the title may be affected.

d) 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 assets 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.

e) Decommissioning and Restoration Provisions

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 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 are 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.

f) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs. The Company uses the residual method with respect to the measurement of shares and warrants issued as private placement units. The fair value of the common shares issued in the unit is determined to be the more easily measurable component and the shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance of the private placement subscription proceeds, if any, is then allocated to the attached warrants and recorded in share purchase warrants reserve.

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Share Capital (Continued)

Shares issued for other than cash consideration are valued at the quoted price on the TSX Venture Exchange based on the earlier of: (i) the date the shares are issued, and (ii) the date the agreement to issue the shares is reached.

g) 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.

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 the date of renouncement 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.

h) 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 reserve is transferred to share capital. Upon the expiry or cancellation of stock options and other share-based payments, their fair value previously recorded in reserve is transferred to deficit.

i) 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 anti-dilutive.

j) Reserves

Stock options reserve and share purchase warrants reserve are used to recognize the fair value of stock options and warrants prior to their exercise, expiry, or cancellation. The fair value of stock options and finder's warrants are determined on the date of grant using the Black-Scholes option pricing model. The fair value of a warrant attached to a private placement unit is determined using the residual method.

k) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive loss 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 current or prior reporting periods that are unpaid as at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the 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.

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Income Taxes (Continued)

(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 taxable 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.

l) 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 ("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.

(ii) Measurement

<u>Financial assets and liabilities at amortized cost</u>

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.

<u>Financial assets and liabilities at FVTPL</u>

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the 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 statements of comprehensive loss in the period in which they arise.

<u>Debt investments at FVTOCI</u>

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

NOTE 2 – BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Financial Instruments (Continued)

(ii) Measurement (Continued)

Equity investments at FVTOCI

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

(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 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.

(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.

NOTE 3 – 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;
- The recoverability of the carrying value of the mineral property interests is dependent on the 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.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

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

a) 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.

b) 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.

NOTE 4 – LOANS PAYABLE

During the year ended June 30, 2023, the Company had loans payable of $5,350 (2022 - $47,300). Loans are unsecured, non-interest bearing and have no terms of repayment.

NOTE 5 – EXPLORATION AND EVALUATION ASSETS

The Company records its expenditures related to the acquisition, exploration, and development of mineral properties in profit or loss in the period in which they are incurred. Cumulative acquisition and exploration costs incurred by the Company to June 30, 2023 on its mineral property are summarized below.

Treasure Mountain Property, British Columbia, Canada

	$
Balance, June 30, 2021	861,982
Acquisition Costs	75,000
Exploration Costs	4,761
Balance, June 30, 2022	941,743
Exploration Costs	19,655
Balance, June 30, 2023	961,398

On November 30, 2016, the Company entered into an option agreement with Ximen Mining Corp. ("Ximen") to acquire a 100% interest in mineral claims of the Treasure Mountain Property. Upon signing of the Agreement, and to earn an undivided 100% interest in the property, the Company is required to make cash payments (and/or issue a number of common shares equivalent to an amount) totalling $400,000, issue an aggregate of 500,000 common shares, and incur exploration expenditures on the property as follows:

NOTE 5 – EXPLORATION AND EVALUATION ASSETS (Continued)

Cash Payments:

- $25,000 in cash on the date of execution of the agreement (Paid);
- $50,000 in cash within five business days following the approval by TSX Venture ("TSX-V") (Paid);
- $75,000 in cash and/or common shares equivalent (subject to a minimum of $10,000 to be paid in cash) on or before the first, second, and third anniversaries of the approval by TSX-V. The Company issued 500,000 shares with a fair market value of $85,000 on November 5, 2018. On February 3, 2022, the Company issued 1,500,000 shares with a fair market value of $75,000. The fair market value recognized is based on the closing quote price of the Company's share at the date of issuances); 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.

Shares Payment:

- 500,000 common shares with a minimum fair value of $50,000 within five business days following the approval by TSX-V. On November 14, 2017, the Company issued 250,000 shares with a fair value of $50,000.

Exploration Expenditures:

- Annual minimum exploration expenditures of $100,000 (met), $150,000 (met), $250,000 (met), 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.

The option agreement received final approval by the TSX-V on November 9, 2017. Ximen has a common director and officer of the Company.

On November 8, 2022, the Company entered into a property agreement amendment with Ximen to extend the payment terms of the option agreement for an additional 12 months subject to the following terms:

- Ximen will remain the operator of the project and will charge a 15% supervisor fee on dollars spent in relation to the project. This shall remain in place until the completion of a bankable feasibility study.
- Ximen will retain a 3% net smelter return royalty (the "NSR Royalty") which the Company may buy down 0.5% of the NSR Royalty by paying $1,000,000 to Ximen.
- Ximen maintains the right for six months after completion of a published bankable feasibility to buy back a 30% interest in the project based on funds spent directly on the project over the period of the option, excluding any management fees.

NOTE 6 – SHARE CAPITAL

a) Authorized Share Capital

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

b) Issued and Outstanding Common Shares

As at June 30, 2023, the Company had 22,605,669 (2022 – 19,605,669) common shares issued and outstanding.

i) Shares Issued during the Year Ended June 30, 2022

On December 30, 2021, the Company completed a non-brokered private placement of 1,000,000 flow-through units at a price of $0.08 per unit for gross proceeds of $80,000. Each flow-through unit consists of one flow-through common share and one transferable common share purchase warrant. One warrant entitles the holder to purchase, for a period of twenty-four months, one additional non-flow-through common share at an exercise price of $0.10 per share.

On February 3, 2022, the Company issued 1,500,000 shares as per the option agreement for the Treasure Mountain Property (Note 5). The Shares were fair market valued at $75,000.

NOTE 6 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Common Shares (Continued)

ii) Shares Issued during the Year Ended June 30, 2023

In February 2023, the Company issued 3,000,000 units at a price of $0.03 per unit for gross proceeds of $90,000. Each unit is comprised of one common share and one full share purchase warrant exercisable at $0.05 for a period of five years. The terms of the warrants may be accelerated if certain market conditions are met.

c) Stock Options

The Company adopted a share option plan whereby it may grant stock options to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the plan is limited to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of an option may not be less than the discounted market price as permissible by TSX-V Exchange policy. The options may have a maximum term of 10 years and vesting terms are determined by the board of directors at the time of grant.

As of June 30, 2023, 1,450,000 stock options, with an average exercise price of $0.08 per share and an average remaining life of 4.65 were vested.

Expiry Date	Exercise Price	June 30, 2022	Granted	Exercised	Expired/ Cancelled	June 30, 2023
February 21, 2028	$0.08	-	1,750,000	-	300,000	1,450,000
		-	1,750,000	-	300,000	1,450,000

For the year ended June 30, 2022, there were no outstanding options.

d) Share Purchase Warrants

The continuity schedules of warrants are as follows.

Expiry Date	Exercise Price	June 30, 2022	Issued	Exercised	Expired/ Cancelled	June 30, 2023
December 30, 2023	$0.10	1,000,000	-	-	-	1,000,000
February 6, 2028	$0.05	-	3,000,000	-	-	3,000,000
		1,000,000	3,000,000	-	-	4,000,000

Expiry Date	Exercise Price	June 30, 2021	Issued	Exercised	Expired/ Cancelled	June 30, 2022
August 5, 2021	$0.10	388,750	-	-	(388,750)	-
October 7, 2021	$0.17	1,600,000	-	-	(1,600,000)	-
December 29, 2021	$0.17	531,000	-	-	(531,000)	-
January 29, 2022	$0.15	700,000	-	-	(700,000)	-
December 30, 2023	$0.10	-	1,000,000	-	-	1,000,000
		3,219,750	1,000,000	-	3,219,750	1,000,000

NOTE 6 – SHARE CAPITAL (Continued)

e) Agents' Warrants

For the year ended June 30, 2023 and 2022, there were no outstanding agents' warrants.

Expiry Date	Exercise Price	June 30, 2021	Expired/ Cancelled	June 30, 2022	Expired/ Cancelled	June 30, 2023
August 5, 2021	$0.10	100,000	(100,000)	-	-	-
October 7, 2021	$0.17	85,000	(85,000)	-	-	-
		185,000	(185,000)	-	-	-

NOTE 7 – 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 the 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 financial statements, are described below.

Related Party Balances

Amounts owed to related parties are non-interest bearing, unsecured, and have no specified terms of repayment.

	2023 $	2022 $
Due to companies owned by a person related to a director for expense reimbursements	1,402	-
Due to a company with a common director for exploration expenses	304,939	304,939
	306,341	304,939

NOTE 8 – 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 statements of comprehensive loss by applying the combined federal and provincial income tax rate of 27% (2022 – 27%) as follows:

	2023 $	2022 $
Net Loss for the Year	(268,797)	(140,778)
Expected Income Tax Recovery at Statutory Tax Rates	(72,500)	(38,000)
Change in Unrecognized Deductible Temporary Differences	47,100	38,300
Change in Permanent Differences	25,700	-
Share Issuance Costs	(300)	(300)
Income Tax Expense	-	-

NOTE 8 – INCOME TAXES (Continued)

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:

	2023 $	2022 $
Exploration and Evaluation Assets	352,000	346,000
Non-Capital Losses	924,000	882,000
Share Issuance Costs	1,000	1,900
Deferred Tax Assets Not Recognized	1,277,000	1,229,900

As at June 30, 2023, the Company has exploration and development expenditures of $1,302,000 (2022 - $1,282,000), share issuance costs of $4,520 (2022 - $7,026), and non-capital losses of $3,421,000 (2022 - $3,264,000) that may be applied against future taxable income for Canadian income tax purposes. Share issuance costs expire through to 2027. Non-capital losses expire as follows:

	$
2030	89,000
2031	249,000
2032	298,000
2033	451,000
2034	267,000
2035	271,000
2036	188,000
2037	306,000
2038	379,000
2039	336,000
2040 – 2043	587,000
	3,421,000

NOTE 9 – FLOW-THROUGH SHARE PREMIUM LIABILITY

	2023 $	2022 $
Opening Balance	-	-
Flow-Through Share Premium Liability obligation due to issuance of Flow-Through Shares	-	30,000
Settlement pursuant to incurring Qualified Expenditures or Renunciation	-	(30,000)
Closing Balance	-	-

In December 2021, the Company renounced $80,000 of qualifying exploration expenditures to the shareholders with an effective date of December 31, 2021. The effect of this renunciation and the reversal of the flow-through share premium liability of $30,000 was reflected in the financial statements for the year ended June 30, 2022. As of June 30, 2023, there was $55,584 remaining unspent.

NOTE 10 – 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 mineral properties. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets. 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.

The Company manages its share capital as capital, which as at June 30, 2023, was $3,951,044 (2022 – $3,862,244). 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 11 – FINANCIAL INSTRUMENTS

The fair value of the Company's accounts payable and accrued liabilities and amounts due to related parties approximate their carrying value, which is the amount recorded on the statements of financial position. The Company's cash under the fair value hierarchy is 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. The Company's credit risk is primarily attributable to its liquid financial assets including cash. 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 will have sufficient liquidity to meet liabilities when due. As at June 30, 2023, the Company had a cash balance of $3,088 (2022 - $465) to settle current liabilities of $657,521 (2022 - $583,295). All 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 equity financing 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 amounts due to related parties are non-interest bearing, and as such, the Company is not exposed to significant interest rate risk.

d) Commodity Price Risk

The Company is subject to price risk from fluctuations in the market prices of commodities as it relates to the possible underlying values of its commodity based mineral properties and the corresponding ability to raise funds for future operations. 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.

NOTE 12 – COMMITMENT

On January 1, 2023, the Company entered into a 5-year office services agreement with 1388254 B.C. Ltd. for accounting services, secretarial services and online marketing support at a gross rate of $120,000 each fiscal year.